

What's News

Business & Finance

The Fed said the pandemic poses considerable risks for the U.S. economy despite recent gains, and officials made no changes to their commitment to provide sustained stimulus. **A2**

◆ The pace of the labor market recovery showed fresh signs of cooling last week, with new applications for unemployment benefits holding nearly steady as virus cases surged in several states. **A2**

◆ U.S. stocks surged, putting major indexes on track for their sharpest weekly gains since April. The S&P 500 and Dow each rose 1.9%, while the Nasdaq advanced 2.6%. **B1**

◆ U.S. officials seized more than \$1 billion of bitcoins and other digital currencies this week that had been associated with the Silk Road online drug bazaar. **A1**

◆ The Justice Department filed an antitrust lawsuit that seeks to block Visa's deal to acquire Plaid, a key player in the fintech area. **B1**

◆ Uber reported another big loss as the pandemic continued to batter its core ride-hailing business. **B1**

◆ GM's efforts to crank up production of pickup trucks and other lucrative models drove a \$4 billion profit in the third quarter. **B2**

◆ Toyota raised its full-year operating profit estimate by nearly \$8 billion amid an upsurge in Chinese and American demand for vehicles. **B2**

◆ Alibaba said little to address the halt of its Ant financial affiliate's IPO as the company reported quarterly earnings. **B1**

World-Wide

◆ Vote counting continued in the closely fought presidential race on Thursday as Biden was within striking distance of the White House and Trump blamed the media and public polls for his position and pursued legal actions in key states. **A1, A4-A6**

◆ Democratic lawmakers expressed frustration with party leaders over the loss of several congressional seats, saying Pelosi and others oversold their prospects and didn't adequately protect members from being attacked as socialists. **A1**

◆ The fight for control of the U.S. Senate now is centered on Georgia, where at least one, and possibly two, of the state's Senate races will go to Jan. 5 runoffs. **A5**

◆ A judge ordered the Postal Service to conduct rigorous sweeps of facilities serving states with looming election deadlines so any ballots still in the system reach election officials in time to be included in tallies. **A4**

◆ Facebook is tightening its grip on speech across its platforms, invoking some emergency measures executives previously described as "break glass" options to respond to postelection unrest. **A5**

◆ Austria and France are planning a joint push for tougher EU-wide measures to stamp out Islamist extremism after recent terrorist attacks in both countries. **A10**

◆ Kosovo's president resigned and was transferred to The Hague after being indicted over war-crimes charges by an international tribunal. **A10**

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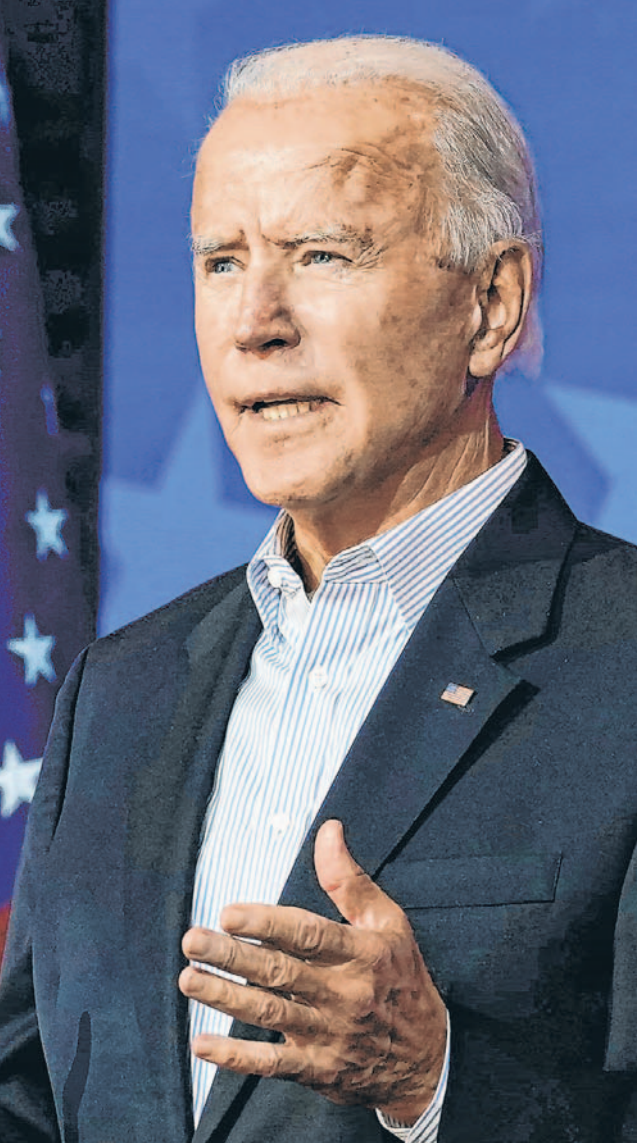
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Trump Lashes Out as Biden Gains



President Trump and Democratic presidential candidate Joe Biden both spoke on Thursday about the vote count.

Democrat asks for patience, reaffirms confidence he will win; legal effort intensifies

Vote counting continued in the closely fought presidential race Thursday as Joe Biden was inching to the presidency and President Trump blamed the media and public polls for his position and pursued legal actions in key states.

By Catherine Lucey, Eliza Collins and Alex Leary

Mr. Biden stood six electoral votes away from the 270 needed to win the White House after scoring key victories in the Midwestern battlegrounds of Wisconsin and Michigan, according to the Associated Press tally.

The AP has declared Mr. Biden the winner in Arizona, which has 11 electoral votes. The Trump campaign is disputing that call, arguing that mail-in ballots yet to be counted there would ultimately deliver the state to the president. Mr. Biden's lead in the state was shrinking and stood at about 46,300 votes Thursday night, with roughly 350,000 more votes left to count.

The Democratic former vice president briefly appeared in Delaware in the afternoon, saying he had no doubt he would prevail while appealing for calm. "Each ballot must be counted, and that's what we're going through now," Mr. Biden said. "Democracy is sometimes Please turn to page A4

House Democrats Vent at Pelosi

By NATALIE ANDREWS AND KRISTINA PETERSON

WASHINGTON—Democratic lawmakers expressed frustration with party leaders over the loss of several congressional seats, saying Thursday that House Speaker Nancy Pelosi and others oversold their prospects and didn't adequately protect members from being attacked as socialists. Party leaders had predicted

gains in the House, but instead are taking losses. House Republicans had picked up a net gain of five seats by late Thursday, flipping seven districts held by Democrats and shrinking the Democrats' majority. Two of those were in the Miami area where Democrats overall had a poorer-than-expected showing.

Far from their ambitions of venturing deep into Trump territory, Democrats had

picked up only two seats in North Carolina, in large part due to redistricting, a much lower number than the double-digits prognosticators expected them to pick up.

The results of the races called so far stood at 208 Democrats to 193 Republicans, with dozens of seats yet to be determined. The split headed into the election was 232-197 with one Libertarian and five vacancies, and Democrats had in-

vested heavily in winning seats, in part in suburbs that Republicans had held on to in the Democrats' strong 2018 showing.

The loss of seats could complicate Mrs. Pelosi's plans to remain speaker for one more term, which she has pledged will be her last. Before the 2018 midterm elections, there was much speculation among Democrats that Mrs. Pelosi (D., Calif.), now 80 years old, a prodig Please turn to page A6

ELECTION 2020

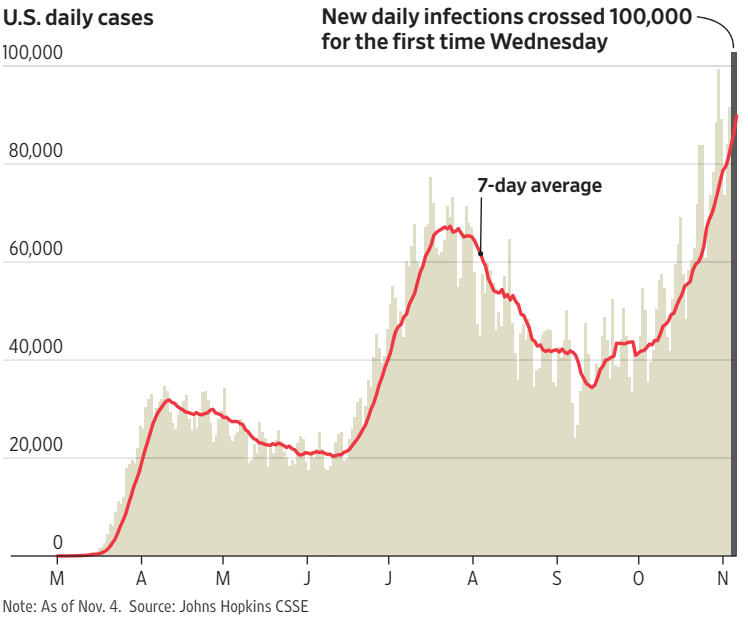
◆ Judge orders vote sweep of postal facilities..... A4

◆ Senate fight centers on Georgia..... A5

◆ Go to WSJ.com for the latest results

Daily Cases Cross 100,000

The U.S. recorded 102,800 new cases of Covid-19 on Wednesday, surpassing a record of more than 99,000 set on Oct. 30. Several states reported record tallies of daily infections, including Indiana, Minnesota, Iowa, Colorado and Idaho. **A3**



U.S. Seizes \$1 Billion in Bitcoins

By PAUL VIGNA

U.S. Department of Justice officials seized more than \$1 billion of bitcoins and other digital currencies this week that had been associated with the Silk Road online drug bazaar, the largest seizure of cryptocurrency in the agency's history. The 69,000 seized bitcoins

once belonged to Silk Road founder Ross Ulbricht, the Justice Department said on Thursday. Mr. Ulbricht was convicted in 2015 of distributing narcotics and money laundering and sentenced to life in prison.

The Justice Department said the bitcoins had been stolen from Mr. Ulbricht in 2012 and 2013 by a hacker who liquidated

some of the coins but left most sitting untouched for years in a digital account called a wallet.

Bitcoin, which just celebrated its 12th anniversary, is a digital currency that operates across an online network and isn't controlled by any government or central party. That has made it attractive to Please turn to page A8

Few Tap Into 401(k)s Amid Financial Woes

By ANNE TERGESEN AND CORRIE DRIEBUSCH

Despite the financial toll of the coronavirus pandemic, few U.S. households have raided their retirement accounts to make ends meet.

Faced with the prospect of surging unemployment and a declining economy, Congress passed in March a law that temporarily allows people to use their retirement money today. But so far, there hasn't been a rush of funds out of accounts. Fidelity Investments, the largest 401(k) provider in the

country, has seen 4.6% of eligible people take some money out through Sept. 30 due to the virus. An additional 1% have taken a so-called hardship distribution that allows withdrawals for reasons including buying a home, preventing foreclosure or paying medical bills. That is compared with about 2% a year that typically take a hardship distribution. Please turn to page A2

◆ Fed still sees virus imperiling economy..... A2

◆ Jobless claims fall, but trend flattens..... A2

Gilligan Stars in Bill Gross's Feud With Neighbors

By DONALD MORRISON

LAGUNA BEACH, Calif.—Disputes in affluent neighborhoods over ocean views, noise and aesthetics are about as old as the sea—or at least a 1960s sitcom about castaways on an uncharted desert isle.

This one stars a billionaire, his partner, too, a high-tech guy and his wife.

In late July, the co-founder of bond giant Pacific Invest-



ment Management Co., Bill Gross, and his partner Amy Schwartz began repeatedly playing the theme song to

"Gilligan's Island" loud enough to annoy their neighbor, tech entrepreneur Mark Towfiq and his wife, according to a lawsuit Mr. Towfiq filed.

Mr. Towfiq said relations with his neighbors hit the rocks after he filed a complaint with the city over an illuminated 22-foot-long art installation in Mr. Gross's yard. It was erected without a permit, Mr. Towfiq said, and par Please turn to page A8

Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2020H1 Revenue Market Share Worldwide.

Year	Salesforce	Oracle	SAP	Adobe	Microsoft
2016	14.8%	4.8%	3.9%	3.8%	3.8%
2017	16.8%	4.8%	3.9%	3.8%	3.8%
2018	18.8%	4.8%	3.9%	3.8%	3.8%
2019	18.8%	4.8%	3.9%	3.8%	3.8%
2020H1	19.8%	5.3%	4.8%	3.9%	3.8%

Source: IDC, Worldwide Semiannual Software Tracker, October 2020.

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U.S. NEWS

Jobless Claims Fall, but Trend Flattens

By KIM MACKRAEL

The pace of the labor market recovery showed fresh signs of cooling last week, with new applications for unemployment benefits holding nearly steady as virus cases surged in several states.

Weekly initial claims for jobless benefits fell by 7,000 to a seasonally adjusted 751,000 in the week ended Oct. 31, the Labor Department said Thursday. That was the lowest level since mid-March, but was well above the 217,000 claims filed in late February, before economic shutdowns to control the spread of the new coronavirus began.

The previous week's data were revised up by 7,000 to 758,000.

"The level of filings is trending down over time, but this downward trend has flattened noticeably," JPMorgan Chase & Co. economist Daniel Silver wrote in a note to clients. "This is consistent with the idea that the labor market continues to recover, but that the pace of

improvement has moderated."

More broadly, the labor market has recouped more than half of the 22 million jobs that were lost in March and April, but the pace of gains slowed in recent months.

Employers added 661,000 jobs in September, down from a 1.5 million gain in August. Economists surveyed by The Wall Street Journal forecast Friday's jobs report to show employers added 530,000 jobs in October. Economists expect the unemployment rate to edge down to 7.7% from 7.9% in September.

Many workers experienced temporary layoffs this spring, but in some industries changes appear to be longer term. Last week, **Boeing Co.** said it would reduce its workforce by another 11,000, including 7,000 layoffs, as the aerospace company grapples with sharply lower demand for international and domestic air travel. Oil giant **Exxon Mobil Corp.** said it would cut 1,900 jobs in the U.S.

Thursday's jobless-claims report showed the number of

7 million

Initial claims for unemployment insurance, weekly

Week Ending	Initial Claims (Millions)
March 7	6.8
March 14	6.5
March 21	5.0
March 28	4.2
April 4	3.8
April 11	3.2
April 18	2.8
April 25	2.5
May 2	2.2
May 9	2.0
May 16	1.8
May 23	1.6
May 30	1.5
June 6	1.4
June 13	1.3
June 20	1.2
June 27	1.2
July 4	1.2
July 11	1.2
July 18	1.2
July 25	1.2
Aug 1	1.2
Aug 8	1.2
Aug 15	1.2
Aug 22	1.2
Aug 29	1.2
Sep 5	1.2
Sep 12	1.2
Sep 19	1.2
Sep 26	1.2
Oct 3	1.2
Oct 10	1.2
Oct 17	1.2
Oct 24	1.2
Oct 31	0.751

LAST WEEK
751,000

Note: Seasonally adjusted
Source: Labor Department

U.S. WATCH

MINNESOTA

Judge Won't Move Trial of Ex-Officers

A judge rejected defense requests to move the trial of four former Minneapolis police officers charged in George Floyd's death, and also ordered all four to be tried together.

Hennepin County Judge Peter Cahill ruled Thursday after defense attorneys had argued that pretrial publicity had made it impossible for the four men to get a fair trial in Minneapolis.

Defense attorneys also argued that the men should face separate trials, as each officer tried to diminish his own role in Mr. Floyd's arrest by pointing fingers at the others. Judge Cahill rejected that, saying the complications of separate trials were too great and trying the former officers together would "ensure that the jury under-

stands...all of the evidence and the complete picture of Floyd's death."

The judge also ruled that the trial can be televised and streamed live, saying cameras will ensure the defendants' right to a public trial and the public's right to access when spacing restrictions due to Covid-19 leave little to no room for spectators.

—Associated Press

MASSACHUSETTS

Two Plead Not Guilty Over Veterans Deaths

Two former administrators of a Massachusetts veterans home where nearly 80 people sickened by the coronavirus died pleaded not guilty Thursday to criminal charges over their handling of the outbreak.

Former Holyoke Soldiers' Home Superintendent Bennett Walsh and former Medical Direc-

tor Dr. David Clinton entered the pleas during a remote hearing in Hampden Superior Court in Springfield.

The two each face 10 counts stemming from their March decision to put residents who were positive for the coronavirus into the same space as those with no symptoms. They were charged in September with abuse, neglect or mistreatment of an elderly or disabled person, among other counts.

An independent report commissioned by the state said "utterly baffling" decisions made by administrators allowed the virus to spread unchecked at the veterans home. Mr. Walsh, who resigned, has argued they are being scapegoated by state officials.

At least 76 veterans died from the virus over 11 weeks, and many more residents and staff were sickened.

—Associated Press

MISSOURI

Official at Polling Site Had Virus, Now Dead

A suburban St. Louis election official who worked at a polling place on Election Day despite a positive test for the coronavirus has now died, raising concerns for the nearly 2,000 people who voted there.

St. Charles County, Mo., spokeswoman Mary Enger said Thursday that the person, whose cause of death wasn't yet known, was an election judge supervisor Tuesday at the Blanchette Park Memorial Hall polling site in St. Charles, about 25 miles northwest of St. Louis. Ms. Enger said the county's health department and election authority recently learned that the poll worker tested positive Oct. 30 for Covid-19 and was advised to quarantine for 14 days.

"The election judge nevertheless failed to follow the advice" and worked throughout the day on Tuesday, Ms. Enger said.

Contact tracing has started and county health officials have contacted the other nine election workers at the site, who were advised to be tested for the virus, Ms. Enger said. The infected poll worker's duties didn't typically include handling iPads, or having close contact with the 1,858 voters such as taking voter identification, Ms. Enger said.

County officials urged anyone who was at the precinct on Election Day to watch closely for symptoms and call a hotline number if they have questions.

St. Charles County Director of Elections Kurt Bahr said election workers were required to wear masks or face shields, and Plexiglas barriers separated workers from voters.

—Associated Press

Few Tap Retirement Accounts

Continued from Page One

The withdrawal rates are "much less dire than we were thinking back in April," said Dave Stinnett, head of strategic retirement consulting at Vanguard Group, which says 4.5% of eligible people in retirement plans it administers took money out due to the crisis and 1.5% did so on hardship grounds through Sept. 30.

The main reason withdrawal rates are lower than expected is the inequalities in the workforce, economists said. Low-income workers who would be most likely to tap a 401(k) are least likely to have one.

Overall, about one-third of private-sector workers don't have access to a workplace retirement-savings plan, with fast-food, retail and gig-economy workers often left out.

Among those who were able to use the law was Leigh Perretta, a 40-year-old who lives in Portland, Ore. Ms. Perretta was excited to start a new job

in real estate this winter. By the end of March, as the coronavirus pandemic spread, she was let go. She filed for unemployment, but due to backlogs didn't receive benefits right away. "I saw my savings drying up, and I started freaking out a bit," she said.

In April, she took \$10,000 from her retirement-savings account. She still worked independently in real estate and had a couple of deals close. In her spare time, she became a "Dasher" for meal-delivery company DoorDash Inc. With that income and the early withdrawal, she was able to pay her mortgage and health insurance.

"It was a lifesaver," she said.

The move by Congress to loosen withdrawal rules this year underscores a growing acceptance among policy makers of the idea that retirement accounts, which hold trillions of dollars in wealth, do double duty as emergency funds. Since Hurricane Katrina in 2005, Congress has allowed 401(k) and individual-retirement-account (IRA) withdrawals without penalty for people affected by several natural disasters.

In 2018, it relaxed certain restrictions on 401(k) hardship withdrawals. In 2019, it passed a law letting parents withdraw up to \$5,000 penalty-free from retirement accounts after a birth or adoption.

This type of so-called leakage can have a ripple effect long term. In addition to financial hardships, money also flows out prematurely when workers default on 401(k) loans and cash out their accounts—paying income taxes and possible penal-

ties—upon leaving jobs.

Cash-outs, 401(k) loan defaults, and hardship withdrawals reduce the wealth in U.S. retirement accounts by an estimated 25% when the lost annual savings are compounded over 30 years, according to an analysis by economists at Boston College's Center for Retirement Research.

Congress said those affected by the coronavirus and economic downturn could pull as much as \$100,000 from IRAs or 401(k)-type plans. Those with traditional accounts owe income tax on the withdrawal. But they are exempt from the 10% early-withdrawal penalty that generally applies under age 59½. The law provides the option to repay the money within three years and recoup the tax payment.

The Wall Street Journal contacted 401(k) record-keepers including Fidelity, Vanguard, Principal Financial Group, Alight Solutions LLC and T. Rowe Price Group Inc., with nearly all of them reporting similar numbers. At Alight, more than half of the 4% of workers who tapped their accounts withdrew \$100,000, or their whole balance if it was less than that. T. Rowe Price reported that 7% took at least one withdrawal.

Darnell Williams, 59, said he withdrew about one-third

of his balance in May to repay two loans. The Oakland, Calif., resident said he was forced to move after his landlord died of causes including coronavirus and the house where the two lived was put up for sale. Mr. Williams said his rent tripled overnight, making it hard to cover his loan payments.

Mr. Williams, who works in the Alameda County treasurer's office, said if he is unable to repay the withdrawal, he will consider relocating to a cheaper state when he retires.

"It would be very helpful if I could put that money back," he said.

One factor that could lead to more withdrawals is if the current increase in coronavirus cases causes unemployment to jump once again. In that scenario, the total percentage of 401(k) participants raiding their retirement accounts could hit 10% or more by year-end, when the provision allowing penalty-free access expires unless Congress renews it, said Lori Lucas, president and chief executive of the nonprofit Employee Benefit Research Institute, which tracks retirement-account data.

"We could be going into a period now that looks worse since the economic stimulus we saw over the summer is going away," she said.

Fed Still Sees Virus Imperiling Economy

By NICK TIMIRAOS

WASHINGTON—The Federal Reserve said the coronavirus pandemic poses considerable risks for the U.S. economy despite recent gains, and officials made no changes on Thursday to their commitment to provide sustained stimulus.

Fed Chairman Jerome Powell said they were monitoring two prominent risks to the recent rebound in economic activity: one from rising infection rates and another from households exhausting savings after earlier fiscal relief measures had dissipated.

"Economic activity has continued to recover" but "the pace of improvement has moderated," Mr. Powell said at a news conference.

Officials at their September meeting pledged to support the recovery by setting a higher bar to raise interest rates and by signaling it expected to hold rates near zero for at least three more years. This week, Fed officials continued discussions over how to provide more support to the economy should the recent rebound fizzle, Mr. Powell said. They could do this by adjusting their purchases of \$120 billion a month in Treasury and mortgage-backed securities if needed.

"We may reach a view at some point that we need to do more on that front," said Mr. Powell. But he indicated comfort for now with the current program, which he twice described as "very large."

Fed officials could specify that they will condition their purchases on economic outcomes, as they did at their September meeting for their short-term rate when they laid out thresholds that would warrant an end to holding rates near zero.

"It tidies up the package," said Vincent Reinhart, a former Fed economist who is now chief economist at Mellon. "If you have two macroeconomic tools, why do you have only one with outcome-based guidance?"

Officials also discussed whether to provide additional support by adjusting the composition of those purchases to target longer-term Treasury yields, as they did in their 2012-14 asset-buying program.

But several Fed officials have said the low level of long-term Treasury yields makes this unnecessary. And Mr. Powell said the current program, due to its larger size, was pushing down longer-dated yields even without explicitly targeting them.

Central banks took aggressive actions earlier this year after the virus upended daily life and forced curbs on economic activity with no precedent in peacetime. With the virus surging again in Europe, some are expanding stimulus measures.

Earlier Thursday, the Bank of England announced another dose of bond purchases as officials said they expect the U.K. economy to shrink in the final quarter of 2020. That followed the Reserve Bank of Australia, which on Tuesday cut its official cash rate to near zero and announced its own debt-buying program.

The European Central Bank last week said it intends to scale up its support of the eurozone's economy in December with a package that could include billions of dollars of new bond purchases as well as an interest-rate cut and cheaper loans for banks.

Fed officials cut interest rates to zero in March and expanded their asset portfolio to \$7 trillion in June from \$4 trillion before the pandemic hit. They launched an array of emergency lending programs in the spring. They unveiled a new policy framework in August and formalized new interest-rate guidance in September.

Mr. Powell said the recent upswing in virus cases was "particularly concerning" and said steps such as wearing masks in public would help the economy. Still, he indicated policy makers have been surprised through the late summer and early fall by the degree to which economic activity held up despite higher infection counts.

◆ Heard on the Street: Fed may not wait for Washington... B12

CORRECTIONS & AMPLIFICATIONS

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U.S. NEWS

Virus Cases Top 100,000 Across U.S.

By DAVID HALL

The U.S. reported more than 100,000 new coronavirus cases in a single day for the first time, as infections rose in states across the country. The nation recorded more than 102,800 new cases for Wednesday, surpassing a record of more than 99,000 set on Oct. 30, according to data compiled by Johns Hopkins University. The total number of confirmed cases in the U.S. neared 9.5 million.

Across the country, several states reported record tallies of daily infections, including Indiana, Minnesota, Iowa, Colorado and Idaho. Pennsylvania reported more than 2,800 new cases for the third day in a row on Wednesday after setting a record Tuesday.

Epidemiologists and public-health researchers have said a number of factors, including pandemic fatigue and people attending social gatherings, are contributing to the rise in U.S. cases. The recent increases are affecting broader swaths of the U.S. than the spring and summer surges, when outbreaks were concentrated in a handful of states.

The nation's seven-day moving average of newly reported cases, which helps

smooth out irregularities in the data, rose to 89,859 as of Wednesday, the latest in a series of record highs. The 14-day moving average was 81,985. When the seven-day average is higher than the 14-day average, as it has been since Oct. 5, it suggests cases are rising.

Similar to the surges the country saw in the spring and summer, the rising number of cases nationally has been accompanied by an uptick in hospitalizations. More than 52,000 people in the U.S. are now hospitalized due to Covid-19, the highest number since Aug. 6, which was the second day in a row the figure topped 50,000, according to the Covid Tracking project.

The nation reported more than 1,000 deaths from Covid-19 for the second day in a row on Wednesday. The figure was slightly lower than the more than 1,100 fatalities reported Tuesday, but higher than the 991 deaths reported a week earlier, according to Johns Hopkins. The overall death toll approached 234,000.

Outside of the U.S., new cases of infection in India rose by 50,210, pushing the nation's total past 7.7 million, according to data from the country's health ministry. The country's



Hundreds of cars lined up at a drive-through Covid-19 testing site at the Alliant Energy Center complex in Madison, Wis., Thursday.

death toll rose to 124,315 after adding 704 new fatalities.

South Korea reported 125 new cases, bringing its total to 27,050. This weekend, South Korea plans to add new tiers to its social-distancing system, in an effort to give health officials more flexibility in dealing with outbreaks. The new system will relax the current Level 1 restrictions to allow movie theaters and concert halls to allow seating without social distancing.

Chinese health authorities on Thursday reported eight locally transmitted cases for the previous day, all from Kashgar in the far western region of Xinjiang.

Vaccine Trial Result Expected This Year

AstraZeneca PLC said late-stage trials for the Covid-19 vaccine it is developing with the University of Oxford are on track to produce results "later this year," with a potential roll-out soon after, subject to regulatory approval.

Timing depends on community infection rates around the world, with around 23,000 volunteers now enrolled in clinical trials of the vaccine in the U.S., the U.K., Brazil and South Af-

rica, the British drugmaker said.

The vaccine, AZD1222, is a front-runner in the global race for a shot that will help curb infections and deaths from the virus—and get the global economy back on its feet.

European authorities last month started a so-called rolling review of the AstraZeneca-Oxford vaccine candidate, making it the first Covid-19 shot to begin the fast-tracked review process by the European Union, AstraZeneca said.

The company is scaling up manufacturing, while holding back from packing the vaccine in mass quantities into vials.

Executives said that is part of efforts to safeguard the shot's lifespan amid uncertainties around regulatory approval. In its pre-vial form, the vaccine can be frozen in bulk, but once it is poured into vials it has to be refrigerated, and the clock starts ticking.

AstraZeneca has limited information about the shelf life of the shot because it is so new, executives said Thursday.

AstraZeneca and Oxford have pledged to make and sell some 3 billion doses of their shot at no profit, if it is successful, for about \$4 each.

—Jenny Strasburg

SBA Told To Release Details of Aid Loans

By AMARA OMEOKWE

WASHINGTON—The Small Business Administration must release detailed information for all Paycheck Protection Program loans, including names of borrowers and precise loan amounts, a federal judge ruled Thursday.

The SBA had previously released detailed information only for PPP loans above \$150,000, a fraction of the loans issued. The ruling also applies to loans under the SBA's Economic Injury Disaster Loan program.

"The significant public interest in shedding light on SBA's administration of the PPP and EIDL program dramatically outweighs any limited private interest in nondisclosure," U.S. District Judge James Boasberg in Washington wrote in his order.

The ruling followed a suit by news organizations that sought the data under the Freedom of Information Act. Plaintiffs included Dow Jones & Co., publisher of The Wall Street Journal.

The judge set a Nov. 19 deadline for the SBA to release the information on all individuals and entities that received a pandemic-related loan.

The SBA has argued that disclosing the names of loan recipients could violate their privacy because PPP loans correspond to the size of a business's payroll.

In rejecting the SBA's request to keep the information confidential, Judge Boasberg said "the PPP loan application expressly notified potential borrowers—admittedly in a form disclaimer—that their names and loan amounts would be 'automatically released' upon a FOIA request."

The SBA declined to comment on the judge's order.

The judge's order Thursday requires SBA "to supplement its prior disclosure with the names, addresses, and precise loan amounts of all PPP and EIDL borrowers."

The PPP was the centerpiece of the federal government's coronavirus aid effort to small businesses, providing \$525 billion in forgivable loans to small firms, self-employed entrepreneurs and independent contractors. Of the program's 5.2 million loans, roughly 4.5 million were for amounts of \$150,000 or less, according to SBA data.

CDC Plans Extra Monitoring of Covid Vaccines

By PETER LOFTUS

Government health officials and drugmakers plan to roll out extra tools to detect whether Covid-19 vaccines cause any serious side effects once the shots are cleared for widespread use, aiming to fill gaps in existing safeguards given the expected speed and scope of the rollout.

The measures include surveys tracked through a smartphone app developed by the Centers for Disease Control and Prevention and special monitoring for groups including pregnant women and the elderly, according to health officials and company executives involved in the plans.

"We want to have early eyes on safety as soon as possible," said Grace M. Lee, who



A nurse practitioner prepared for the medical examination of a Covid-19 vaccine volunteer in Hollywood, Fla., in August.

leads a Covid-19 vaccine safety group on the CDC's Advisory Committee on Immunization Practices.

The CDC plans to send daily texts to people who get vac-

nated, steering them to web surveys to self-report chills and other potential symptoms following vaccination. The smartphone-based system, V-SAFE, will send the surveys to

anyone vaccinated who provides contact information. The surveys will be sent out daily for the first week post-vaccination, then weekly for six weeks.

There is no approved Covid-19 vaccine in the U.S., but several, including those developed by Pfizer Inc. and Moderna Inc., are being tested in tens of thousands of people in studies aimed at determining whether the shots safely protect from the disease. Initial results could come this month, with potential for government authorization by the end of this year.

The new tools go beyond the typical patchwork of safety-surveillance systems that have been in place for many years to detect risks with vaccines approved for widespread use. The Food and Drug Administration approves

vaccines based on safety and efficacy results from clinical trials, and a CDC advisory committee recommends which population groups should receive them, and at what age. Both the FDA and CDC monitor safety as approved vaccines are distributed.

Health officials want more safety monitoring of Covid-19 vaccines because they expect a large segment of the population to get vaccinated. There will also be limited safety data from ongoing clinical trials if a vaccine does get authorized by regulators for emergency use in the coming weeks or months. Some safety issues may not emerge until many more people get vaccinated.

—Susan Pulliam and Anna Wilde Mathews contributed to this article.

Two Men Accused of Trading on SEC Hack to Pay Fine

By DAVE MICHAELS

Two men accused of trading on information hacked from a government database will pay \$425,000 to settle regulatory claims, a fraction of the illegal profit they were alleged to have earned.

The outcome is more evidence that the effort to punish those responsible for the 2016 hack—which embarrassed the Securities and Exchange Commission, from which the data was stolen—is winding down without dire consequences for the accused. The alleged hackers, who live in Ukraine, remain free. The State Department recently offered \$1 million for tips leading to their individual arrests.

The traders, Sung Cho and Ivan Olefir, will pay fines lower than the amount they were accused of earning. They were never criminally charged, despite the serious allegations: trading on undisclosed earnings reports stolen from the SEC's system.

The pair was alleged to be part of a network, based in Los Angeles and Ukraine, that coordinated with the hackers, earning over \$4 million in illegal profit. Mr. Cho, a day-trading manager who lived in California at the time, coordinated their connection to U.S. markets, the SEC alleged.

At least as recently as June, investigators were trying to obtain more direct evidence—such as written messages or money transfers—tying the traders to the alleged Ukrainian hackers, according to documents seen by The Wall Street Journal and people familiar with the matter. The SEC's civil

lawsuit relied heavily on a statistical analysis of the traders' successful bets on stocks and options just before companies disclosed earnings news.

"If the government had really strong evidence, especially of intent to commit fraud, they would do all they could to bring a criminal case against the traders," said Michael Dicke, a former SEC attorney and now partner at Fenwick & West LLP. "The fact they haven't been indicted and the SEC is coming around to settle—without dire consequences for the accused—suggests they didn't find key evidence showing the traders knew they were using information stolen from the Edgar hack when they did their trading."

In April, the FBI returned computers and phones seized from Mr. Cho's apartment, which authorities searched on Jan. 15, 2019, the day the SEC

sued him and five others.

The hackers exploited a vulnerability in the SEC's Edgar database of corporate filings, which allowed them to download early copies of quarterly earnings reports. They also likely benefited from standard oversight of Edgar, according to an agency watchdog's report on the incident that hasn't been previously reported.

Messrs. Cho and Olefir agreed to settle the SEC's civil lawsuit without admitting or denying the claims. Mr. Cho agreed to pay a penalty of \$175,000, or 25% of what he was accused of earning on 66 illicit trades in 2016.

"We are pleased to have resolved the SEC's allegations on these specific terms," said Sean Prosser of Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C., who represented Mr. Cho. "This

entire episode has been very difficult for Sung and his family. We are happy they can now put it behind them."

Mr. Olefir, who was accused of illegally earning \$1.2 million, will pay a \$250,000 fine. An attorney for Mr. Olefir declined to comment.

The settlement doesn't require Messrs. Cho or Olefir to separately pay back ill-gotten gains, which regulators typically require in such cases. A recent Supreme Court decision curbed the SEC's ability to get such relief unless the recouped funds go to fraud victims. The government says it is often impractical to identify victims in trading cases, which involve many people trading around the time of problematic activity.

In an interview in January, Mr. Cho denied knowing hackers and said his Ukrainian trad-

ers used a computer algorithm to spot which stocks to buy or sell just before they reported quarterly earnings. He sometimes entered his own trades after seeing their orders on software they shared, he said.

The SEC's statistical analysis in 2016 highlighted the pattern of the traders' successful bets on stocks and options just before the companies disclosed earnings news. The odds of there being no relationship between the trades and the stolen filings ranged from "less than 7 in 10 million to less than 1 in 1 trillion," the SEC said.

The analysis was "really powerful evidence," said Scott Bauguess, a professor at the University of Texas and former top economist at the SEC. Still, regulators typically have more evidence than just data when headed to trial, he said.

The lawsuit marked the SEC's second attempt to punish the alleged hacker, Oleksandr Ieremenko, for plundering a lucrative repository of financial data.

In July, the State Department added Mr. Ieremenko to a list of people wanted for working with organized crime groups and offered \$1 million for tips leading to his arrest. The same bounty was offered for Artem Radchenko, a Ukrainian who allegedly recruited Mr. Ieremenko to the scheme.

Mr. Cho told regulators in a recent deposition he never communicated with Messrs. Ieremenko or Radchenko.

In a recent interview, Mr. Cho told the Journal he is selling his apartment in Los Angeles to help pay his penalty, and that he couldn't afford to fight the case at trial.



Sung Cho, seen in January, and Ivan Olefir will pay fines lower than the amount they were accused of earning.

ELECTION 2020

Judge Orders USPS to Search for Ballots

Postal-system efforts to speed voter mail meant a lost ability to track flood of pieces

A federal judge ordered the U.S. Postal Service to conduct rigorous sweeps of postal facilities serving states with looming election deadlines such as Pennsylvania and North Carolina, so any ballots still in the mail system reach election officials in time to be included in tallies.

By Rebecca Smith,
Byron Tau
and Rob Barry

The order came in the midst of a close presidential race and as the Postal Service submitted data to a federal court in Washington, D.C., showing that at least 150,000 ballots likely reached election officials on Wednesday—too late to meet deadlines for inclusion in election counts in as many as 28 states.

More than 600 of those ballots were processed in postal facilities serving Georgia, where President Trump and former Vice President Joe Biden's vote tallies were extremely close, potentially making them too late for the state's Election Day deadline. About 1,000 more were in other close states with Election Day deadlines, such as Arizona, Michigan and Wisconsin.

Around 15% of the ballots handled Wednesday at mail facilities servicing competitive states with Tuesday deadlines failed to meet Postal Service delivery on-time standards, which typically range between



Election workers examined ballots as vote counting continued on Thursday in Georgia, where the presidential race remained tight.

one and three business days for most first-class mail, the data show.

More than 10,000 ballots were processed Wednesday in North Carolina, Pennsylvania and Nevada, the Postal Service data show, where they can still be counted. Nevada, for example, allows mail-in ballots postmarked by Election Day and received by election officials by Nov. 10 to be included in tallies.

It was impossible to say, based on the data released by

the Postal Service on Thursday, how many races in how many states might have been affected by the late ballot deliveries.

The uncertainty casts a shadow over the handling of election mail by the Postal Service, which told the court and other federal courts that it was pulling out all the stops to speed election deliveries to its destinations in a year that saw record voting by mail.

During a hearing on Thursday before U.S. District Court Judge Emmet G. Sullivan, at-

torneys for public interest groups including Vote Forward and the National Association for the Advancement of Colored People asked the Postal Service to provide additional information on how it handled election mail and to explain why it lost visibility into thousands of ballots.

Lawyers representing the groups estimated—using data provided by the Postal Service—that somewhere between 8,000 to 9,000 ballots nationwide were mailed by

Sunday but not delivered by Election Day.

The groups sued the Postal Service in Washington, D.C., federal court earlier this year. They accused the newly hired Postmaster General Louis DeJoy, a big donor to President Trump, of implementing changes in postal operations that, they said, posed a threat to voting by mail.

In testimony earlier this week, the Postal Service described special procedures it put in place to bypass normal

mail handling and speed ballots to election officials. That meant, it said, that roughly 300,000 ballots entered the usual mail stream but were then handled differently from regular mail to eliminate delays. But that special handling created challenges, with the Postal Service losing the ability to track the ballots as they moved through—or around—the mail-processing machines to final delivery points with election officials.

After questions were raised in federal court by the civil-rights groups, Postal Service officials reviewed the agency's internal data and said they had high confidence that many of those 300,000 ballots were delivered but some warranted further investigation.

In some cases, the Postal Service said it couldn't say with confidence that all of the ballots given special handling were actually delivered. For example, it said 1,524 ballots destined for election officials in central Pennsylvania received initial scans in that same area but the Postal Service couldn't say with certainty that 545 of them had been delivered.

That doesn't mean they weren't delivered, only that the Postal Service's internal tracking system couldn't definitively account for where they ended up.

It was the same situation in Greensboro, N.C., where the Postal Service said it lost track of 1,335 of 3,087 ballots that had been scanned.

The Postal Service said it needs to do additional analysis to better understand how each postal plant handled the process.

Biden Gets Closer to A Majority

Continued from Page One
messy. It sometimes requires a little patience as well."

Mr. Trump spoke from the White House shortly before 7 p.m., boasted of wins in key states and said a "blue wave" never materialized. He assailed public polls for overstating Mr. Biden's advantage, saying they suppressed the Republican vote.

"If you count the legal votes, I easily win," he said. "If you count the illegal votes, they can try to steal the election from us."

Mr. Trump attacked the vote-counting process in a handful of closely contested states where he initially had stronger margins that have since shrunk as the count has continued. He didn't raise concerns about the vote-counting process in any of the states he has won.

There has been no evidence of widespread fraud. Mail-in votes, many triggered by election-law changes due to the pandemic, weren't immediately counted in certain states, which helps explain the counting delays, as does the historic turnout. Mr. Trump, who had for months attacked voting by mail, said Thursday it was "by design."

He promised more litigation and said the case could end up before the Supreme Court.

Later, Mr. Biden tweeted, "Donald Trump is going to court to stop votes from being counted. We have assembled the largest election protection effort in history to fight back."

Several Republicans issued critical statements about Mr. Trump's remarks, though party leaders were silent. "Every legal vote should and will be counted—as they always are," Rep. Paul Mitchell (R., Mich.) tweeted. "Where there are issues, there are ways to address them. If anyone has proof of wrongdoing, it should be presented and resolved. Anything less harms the integrity of our elections and is dangerous for our democracy."

On Thursday, Mr. Biden's lead grew slightly in Nevada—which has six electoral votes—to over 11,400 votes, according to the AP, and officials said more results are being released Friday. The AP reported at 11 p.m. that Mr. Trump's lead in Georgia was less than 1,800 votes and his lead in Pennsylvania hovered around 26,100 votes. All three states were continuing to count votes.



Both Trump supporters and those urging a full vote count protested Thursday in Philadelphia, where ballot tallying continued in the tight and crucial Pennsylvania race.

Recount Rules Vary by State

President Trump and former Vice President Joe Biden are locked into tight contests in more than a half-dozen battleground states, making it likely that one campaign or the other will request a recount once results are fully tabulated.

Mr. Trump's campaign has said it will request a recount in Wisconsin, where unofficial totals show him trailing by around 20,000 votes and where the Associated Press has called the race for Mr. Biden. Mr. Biden's margin there is

around 0.6 percentage point, within the one-point margin necessary for a campaign to request a recount.

Rules for recounts vary by state. Here is a breakdown of those procedures in the most competitive contests.

ARIZONA

Campaigns can't request a recount, which can only be triggered automatically when there is a margin of less than or equal to 0.1 percentage point.

GEORGIA

Razor-thin margins in this state make a recount highly likely. Candidates can request a recount if the margin is within

0.5 point. The request has to happen within two business days after the state certifies the election results. The certification deadline is Nov. 17.

MICHIGAN

A recount situation is unlikely here because state law stipulates that automatic recounts only occur if there are less than 2,000 votes separating candidates. As of Thursday afternoon, Mr. Biden led by around 150,000 votes.

NEVADA

Campaigns can request a recount regardless of vote margin within three days of the state canvass, which must be

completed within six "working days" of the election. The recount must be completed within 10 days of the request. The campaign requesting the recount must pay for it.

NORTH CAROLINA

Campaigns can request a recount if a race has a margin of 0.5 percentage point or less, and it must be requested by noon of the second business day after the state canvass, which happens three weeks after the election. A recount must be completed within approximately five days of the request, though that is subject to the decision of the State Board of Elections.

PENNSYLVANIA

There are mandatory recounts for any race that has a margin of 0.5 percentage point or less that must be completed within three weeks of an election. Campaigns can also request recounts, no matter the margin, within five days of canvass completion.

WISCONSIN

Vote margins must be within 1 percentage point for a campaign to request a recount. There are no automatic recounts in the state, and the campaign that requests it must pay for it. It must be completed within 13 days of the formal recount order.

—Gabriel T. Rubin

when the campaign and Pennsylvania election officials agreed that Democratic and Republican poll watchers would have equal access to the ballot-counting operations in the battleground state.

The Trump campaign has asked the Supreme Court for permission to intervene in a pending GOP appeal that asks the justices to pull back Pennsylvania's three-day extended deadline for accepting ballots mailed by Election Day. The Supreme Court previously declined to disturb extended ballot deadlines in North Carolina and Pennsylvania.

Mr. Biden, along with his running mate, Sen. Kamala Harris of California, received briefings on the coronavirus and the economy from public-health and economic advisers Thursday at a theater in Wilmington, Del.

The Biden campaign expressed optimism that it would

win several states where counting continues, with campaign manager Jen O'Malley Dillon saying: "Our data shows that Joe Biden will be the next president of the United States."

A top Biden adviser, Bob Bauer, said that legal challenges mounted by the Trump campaign were without merit. He said the lawsuits "are intended to give the Trump campaign the opportunity to argue that the vote count should stop. It's not going to stop."

Katie Hobbs, Arizona's Democratic secretary of state, said on ABC that it was unlikely that the state would be done counting before Friday.

In Nevada, mailed ballots will continue to be accepted until a week after Election Day, so long as they were postmarked by Nov. 3, meaning there won't be a final tabulation this week.

Joe Gloria, the registrar of voters in the state's largest county, said in Las Vegas that

he expects more than 50,000 additional Clark County votes to be reported by Friday morning.

"We are anticipating to have the bulk of our mail ballots that have been received into the system by Saturday or Sunday," he said. "We won't complete until Nov. 12."

Pennsylvania Secretary of State Kathy Boockvar said the count would be largely finished by Friday.

As of Thursday night, Mr. Biden had won 73.4 million votes across the nation, according to the AP tally, breaking the previous record held by former President Obama in the 2008 election. Mr. Trump has so far won 69.6 million votes.

A nation on edge watched the vote counting, with strong reactions evident on both sides. Some supporters of the president protested outside ballot-counting sites in Philadelphia, Atlanta and Detroit along with demonstrators calling for a full

count. Gatherings were tense but largely peaceful.

In Phoenix, officials set up a "free speech zone" away from the elections center ahead of expected evening protests "which will allow protesters the ability to be seen and heard while also ensuring that our elections staff can do their jobs and leave the building without the threat of intimidation," the Maricopa County Elections Department said.

The results in much of the nation were decided Tuesday night and early Wednesday. The president won Ohio, Iowa, Texas and the key prize of Florida, while Mr. Biden flipped Wisconsin, Michigan and an electoral vote in a Nebraska congressional district.

—John McCormick, Ken Thomas, Corinne Ramey, Alexa Corse, Rebecca Ballhaus, Sabrina Siddiqui and Michael C Bender contributed to this article.

ELECTION 2020

Facebook Extends Content Curbs

Facebook Inc. is tightening its grip on speech across its platforms, invoking some of the emergency measures that executives previously described as their “break glass” options to respond to postelection unrest. The company announced the

By *Jeff Horwitz, Sam Schechner and Deepa Seetharaman*

new measures to limit the spread of false and possibly dangerous content on Thursday, hours after it took down a fast-growing group called “Stop the Steal” that was organizing protests of vote counts around the country.

The takedown of the group was the most aggressive yet by the social-media giant to police the debate over the election results. The additional measures go further.

The company will restrict the spread of live video on its platforms and slow down the virality of content that its algorithms classify as potential misinformation. The steps are similar to emergency measures that

The takedown of the group was the most aggressive yet by the social-media giant.

the company has put in place in what it calls “at-risk countries” such as Myanmar, Ethiopia and Sri Lanka, according to a person familiar with the matter.

The Wall Street Journal reported last month that Facebook was developing the measures as part of its planning for worst-case scenarios related to the U.S. election.

“While many of these claims have low engagement on our platform, we are taking additional temporary steps, which we’ve previously discussed, to keep this content from reaching more people,” the company said. “These include demotions for content on Facebook and Instagram that our systems predict may be misinformation, including debunked claims about voting. We are also limiting the distribution of live videos that may relate to the election on Facebook.”

Facebook’s moves were seized on by many Republicans as further evidence that the company censors conservative speech.

The “Stop the Steal” group, which grew to more than 361,000 members within 24 hours, was devoted to protesting the administration of the election, which the organizers allege has been marred by widespread ballot fraud. While President Trump has repeatedly made the same claim, news organizations and fact-checking groups have found no support for the allegation to date. The Cybersecurity and Infrastructure Security Agency tweeted earlier Thursday about the robust safeguards in place to ensure a fair and accurate election.

Facebook’s decision to remove the group was “in line with the exceptional measures that we are taking during this period of heightened tension,” a spokesman said. “The group was organized around the delegitimization of the election process, and we saw worrying calls for violence from some members of the group.”

A pro-Trump organization called Women for America First had created and operated the Facebook group, according to its home page before it was deactivated.

“It is absolutely beyond the pale that Facebook would selectively choose to shut down our group,” said Kylie Jane Kremer, head of Women for America First, adding that Facebook is “selectively enforcing their new rules to silence conservatives.”

In addition to Ms. Kremer and others, two top organizers of the “Stop the Steal” group, Dustin Stockton and Jennifer Lawrence, are listed on Facebook as executives of a conservative media site called America First Projects.

—Emily Glazer and Georgia Wells contributed to this article.

Battle for Senate Turns to Georgia

By CAMERON MCWHIRTER AND LINDSAY WISE

The fight for control of the U.S. Senate now is centered on Georgia, where the state’s close election has pushed at least one, and possibly two, of its Senate races to Jan. 5 runoffs.

The outcome of those two races could shift the balance of power in the Senate, as Democrat Jon Ossoff tries to unseat Republican Sen. David Perdue, and Democrat Raphael Warnock faces off against Republican Sen. Kelly Loeffler. Messrs. Ossoff and Warnock have been critical of President Trump, while Mr. Perdue and Ms. Loeffler have allied themselves with the president.

Under Georgia law, if no candidate gets more than 50%, the two top vote getters, regardless of party, compete in a runoff to be held on Jan. 5.

The Warnock-Loeffler race already is headed for a runoff, as the Associated Press projected Tuesday. Mr. Perdue’s share of the vote was at 49.88% as of late Thursday, with about 16,105 outstanding ballots still to be counted, according to the Georgia Secretary of State’s Office. Mr. Ossoff was at 47.81%. Some provisional and military ballots are also yet to be counted.

Coming into Election Day, the GOP had a 53-47 majority in the Senate. Based on results so far nationwide, Republicans will control 48 seats next year, and they lead in two other states—North Carolina and Alaska. Democrats so far have locked down 48 seats, leaving the two Georgia races as their best hopes to reach 50.

If Democrat Joe Biden wins the White House, vice-presidential nominee Kamala Harris would cast a tiebreaking vote when needed.

Democrats have picked up two Senate seats currently held by Republicans, with AP projecting wins for former Democratic Gov. John Hickenlooper in Colorado and former astronaut Mark Kelly in Arizona. But Democrats lost Sen. Doug Jones’s seat in Alabama to Republican Tommy Tuberville, a former football coach, leaving Democrats with a net gain of only one seat.

Democrats’ path to a Senate majority significantly narrowed on Wednesday, when



Republican Sen. David Perdue, left, is facing off against Democrat Jon Ossoff, right. Neither had 50% of the vote as of Thursday night. The race between Democrat Raphael Warnock and Republican Sen. Kelly Loeffler is heading for a runoff.

Democrat Sara Gideon conceded to GOP Sen. Susan Collins in Maine. Another top Democratic target, Iowa’s Republican Sen. Joni Ernst, successfully fended off businesswoman Theresa Greenfield.

In North Carolina, Republican Sen. Thom Tillis is leading Democrat Cal Cunningham with all precincts reporting. But the deadline for accepting mail-in ballots is Nov. 12, making the final tally uncertain.

Republican Sen. Dan Sullivan of Alaska is ahead of independent Al Gross and expected to win, although the state’s schedule for counting absentee ballots could delay the result.

Democratic challengers also fell short in competitive Senate races in traditionally red states—Montana, Texas, South Carolina and Kansas—where they had been hoping for upset victories.

Because of the 50% threshold in Georgia, strategists working on Senate races for both parties had been bracing for weeks for the possibility of runoffs in both races that could determine control of the Senate.

The scenario underscores the shifting political landscape in Georgia. The GOP has domi-

nated state politics since the early 2000s, but the Democratic Party has revived in recent years, as the state’s population has grown and changed, with an influx of younger people and minorities, many coming from the North.

In 2018, the U.S. Census Bureau estimated the state’s population grew to 10.5 million, from 9.7 million in 2010. During the same period, the percentage of Black people in the

47,000 Absentee ballots yet to be tallied as of Thursday afternoon

state rose to 32.2% of the total population, from 30.5%. The Hispanic and Asian populations also increased.

Today, Republican Brian Kemp is governor, Republicans hold every statewide office and the party controls both chambers of the Legislature. But elections have gotten tighter in the state in recent years.

In 2016, Mr. Trump won Georgia by 5 percentage

points, but Democrat Hillary Clinton carried key suburban Atlanta counties that were longtime Republican strongholds.

In 2018, Stacey Abrams received nearly 49% of the vote compared with just over 50% for Mr. Kemp—the strongest showing by a Democratic gubernatorial candidate in Georgia since 1998.

Georgia has more than 7.2 million registered voters, up from 6.6 million in 2016, according to the Georgia Secretary of State’s Office. Registrations for Black, Hispanic and Asian-American voters outpaced white sign-ups in that period.

Mr. Kemp appointed Ms. Loeffler, a wealthy businesswoman and GOP donor, in December to finish the term of retiring GOP Sen. Johnny Isakson. Mr. Warnock, a pastor at historic Ebenezer Baptist Church in Atlanta, has been endorsed by former President Obama.

Mr. Perdue, a former chief executive of Dollar General Corp., was elected to the Senate in 2014. Mr. Ossoff, a documentary producer who has never held elected office, lost a runoff in a high-profile congressional race to Republican



Karen Handel in the Atlanta suburbs in 2017. That was the most expensive U.S. House race in history at the time. Given the stakes, any Senate runoffs in Georgia are expected to attract massive spending and get-out-the-vote efforts from both parties as they wrestle for control of the chamber.

Perdue for Senate campaign manager Ben Fry expressed confidence Thursday that Mr. Perdue would be re-elected and Republicans would preserve their majority.

“There’s only one candidate in this race who has ever lost a runoff, and it isn’t David Perdue,” he said.

Ossoff campaign manager Ellen Foster said the votes are still being counted, but she believes Mr. Ossoff’s performance in Georgia would force a runoff that the Democrat could win.

“When a runoff is called and held in January, Georgians are going to send Jon to the Senate to defend their health care and put the interests of working families and small businesses ahead of corporate lobbyists,” Ms. Foster said.

—Alexa Corse and Michelle Hackman contributed to this article.

Trump Campaign Steps Up Legal Challenges

The Trump campaign intensified its legal efforts across battleground states on Thursday, winning a ruling related to election observers in Pennsylvania, suffering losses in Michigan and Georgia and backed a lawsuit over alleged irregularities in Nevada.

By *Corinne Ramey, Deanna Paul and Brent Kendall*

Taken together, the lawsuits amounted to an aggressive effort to highlight alleged anomalies or other perceived problems that could affect vote counts before a final presidential winner is declared.

The flurry of challenges ranged across states where Democrat Joe Biden either held a lead over President Trump or was improving his position with late-counted absentee ballots. National Republicans and Democrats have deployed attorneys to push or deflect legal challenges in one of the most litigated elections in modern history.

Mr. Trump suffered a setback on Thursday in Michigan, when a judge denied his campaign’s effort to halt the counting of absentee ballots there, in part because the lawsuit was brought against the wrong government officials and was filed too late: All the state’s votes have been counted. Mr. Biden holds a 160,000-vote lead in Michigan, where the Associated Press called the race for him.

In Georgia, a state judge dismissed a Trump campaign lawsuit that questioned whether late-arriving absentee ballots in Chatham County were being included in the vote count. The judge said there was no evidence that invalid ballots were counted or that local elections officials had failed to comply with the law. Mr. Biden has made gains as Georgia officials



Florida’s ex-attorney general, Pam Bondi, speaks in Philadelphia about a court order tied to vote counts.

counted ballots, closing to within 8,500 votes by Thursday evening. It wasn’t known if the Trump campaign planned to appeal.

A Pennsylvania appeals court ruled Thursday that poll observers must be allowed to closely observe the vote-counting process.

The Trump campaign had argued one of its lawyers couldn’t view the writing on ballots in Philadelphia on Election Day because he was too far away. Election officials have said they acted properly and asked the Pennsylvania Supreme Court to hear its appeal of that case.

Later Thursday afternoon, the Trump campaign filed a federal lawsuit accusing Philadelphia officials of blocking its poll watchers and violating the judge’s order.

After a hearing Thursday

evening, the parties came to an agreement to allow equal access to the counting area, which had barricades to enforce social distancing. The judge dismissed the suit.

Also on Thursday, a Pennsylvania judge ordered local election officials to set aside certain mail-in ballots of first-time voters who were permitted to provide proof of identification if they had previously neglected to do so. That ruling is a temporary win for the Trump campaign, which had alleged in a lawsuit filed Wednesday that election officials were wrongly allowing some first-time voters to provide their missing proof of identification after Nov. 9.

In Nevada, whose six electoral votes could push Mr. Biden over the threshold of 270, Mr. Trump’s campaign announced plans Thursday morning to file a new lawsuit alleging that the rise

of mail-in ballots cast this year led to votes being illegally counted from people who are dead or don’t meet residency requirements.

The Republican-backed lawsuit, filed late Thursday in federal court in Nevada without naming the Trump campaign as a plaintiff, alleged that more than 3,000 ballots in Clark County were cast on behalf of ineligible voters, including some who were deceased. The six-page complaint, brought by two individuals with alleged grievances and two congressional candidates, offered few specifics.

The suit also raised problems with a machine used to verify signatures and the public’s access to the counting process—two areas of complaint that had already been rejected in a state-court lawsuit.

Separately, attorneys for the

Trump campaign sent a letter Thursday to U.S. Attorney General Bill Barr detailing what they said were 3,062 Nevada registered voters who had moved out of the state before the election, according to a search of a national change of address database. The letter alleged the voters were fraudulent.

Mr. Biden led Nevada Thursday evening by about 11,000 votes. Most remaining ballots left to count are from Clark County, where he is expected to make gains.

“All of the recent Biden claimed States will be legally challenged by us for Voter Fraud and State Election Fraud,” Mr. Trump tweeted Thursday, without offering any evidence of fraud. “STOP THE COUNTING!” Mr. Trump said in a different tweet.

Most of the Trump campaign challenges are procedural and have limited impact, even if a court hands it a legal victory, said Jonathan Turley, a law professor at the George Washington University. The Trump campaign had a legitimate right to observe the ballot-counting process, but Thursday’s win doesn’t change any votes, for instance.

Potentially more substantive allegations like those in Nevada could affect a consequential number of ballots, said Mr. Turley, if the campaign can offer evidence.

A top Biden adviser, Bob Bauer, said legal challenges mounted by the Trump campaign were without merit and aimed to halt the counting of votes. “They are intended to give the Trump campaign the opportunity to argue that the vote count should stop. It’s not going to stop,” Mr. Bauer said.

—Sara Randazzo, Rebecca Davis O’Brien and Ken Thomas contributed to this article.

ELECTION 2020

Latino Voters Move Toward Trump

President finds more support than in 2016, as economic message appears to pay off

By Arian Campo-Flores
And Elizabeth Findell

Former Vice President Joe Biden performed more poorly than expected in the presidential election among Latino voters in Florida and Texas, highlighting a weakness for Democrats with an important constituency for the party.

In Florida, Hispanic voters shifted markedly toward President Trump this year, compared with 2016, in several counties, including Miami-Dade, a bastion of Cuban-American voters, and Osceola, the heart of the Puerto Rican community in central Florida. The president captured 45% of the Latino vote statewide, up from 35% in 2016, according to exit polls. Those gains helped the president carry Florida by more than 3 percentage points.

In Texas, Mr. Trump made inroads in traditionally the bluest part of the state: the heavily Latino Rio Grande Valley and other border counties. He won 36% of the Hispanic vote statewide—compared with 34% in 2016, according to exit polls—as he captured Texas by 6 percentage points.

The parties have long battled for Latino voters, a heterogeneous mix that includes first-generation Colombian-Americans and 10th-generation Texans. While they lean Democratic as a whole—with Cuban-Americans the main exception to the rule—a sizable portion is conservative and amenable to GOP appeals. Mr. Trump also improved on his 2016 results among Latinos in Nevada and Arizona.

“The Hispanic vote can be decisive, but the Hispanic vote is not monolithic,” said Alfonso Aguilar, president of the Latino Partnership for Conservative Principles. “Many are conservative. They respond well to a message of economic populism and protecting religious freedom.”

Nationally, Mr. Trump improved his share of the Hispanic vote to 35%, a 7 percentage point increase, though he remained about even in states like Colorado and New Jersey, according to exit polls.

In Miami-Dade County, where more than a third of the population is Cuban-American, pollsters and political strategists had been pointing to challenges for Democrats in



Backers of President Trump, some with Cuban flags, make their voices heard in Miami. Support from Latinos helped him win the state.

the buildup to Election Day. Exit polls showed that 58% of Cuban-Americans in Florida voted for Mr. Trump, up from 54% in 2016.

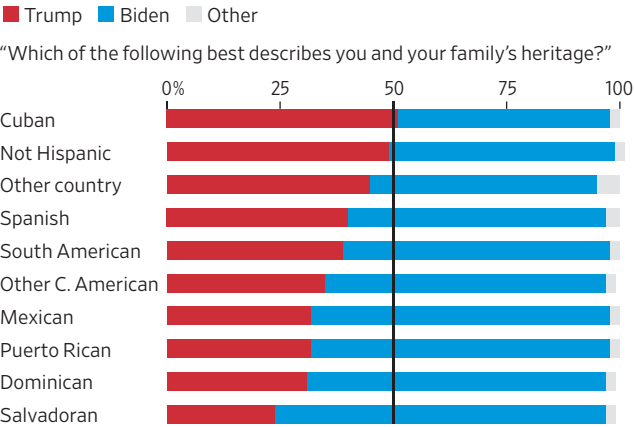
A poll released by Florida International University last month showed Cuban-Americans in South Florida gave the president high marks in his handling of immigration, health care and Cuba policy. And it highlighted the GOP's strength, not only with older Cuban-Americans who have long been loyal to the party, but with those who immigrated more recently to the U.S.

Olaf Penichet, a 44-year-old Cuban-American Republican, voted for Mr. Trump on Tuesday in Miami Lakes. He faulted Democrats for, in his view, spending the last four years trying to undermine the president and praised Mr. Trump's handling of the economy. He said he backed Mr. Trump's efforts to squeeze the Cuban government. “You need a hard line,” Mr. Penichet said. “Don't give them any oxygen.”

Soon after Mr. Trump took office, his administration began courting Cuban-Americans and other Latino groups, like Venezuelan- and Nicaraguan-Americans, who fled socialist governments. The president reversed President Obama's policy of engagement with Cuba and enacted broad economic sanctions against Venezuela.

Democratic presidential nominee Joe Biden performed more poorly than expected among Hispanic voters.

Share of presidential election votes, by Hispanic voters



Source: AP VoteCast, conducted by NORC at the University of Chicago for the Associated Press and Fox News, survey of 109,412 Hispanic voters conducted Nov. 3; margin of error: +/- 0.5 pct. pts.

As the 2020 election neared, the Trump campaign sought to drive home a message that Mr. Biden and other Democrats were socialists, which Democrats dismissed as a distortion of their policies. The president's Cuban-American supporters organized boisterous caravans of cars festooned with Trump flags that snaked across Miami-Dade County.

“The narrative the Republican Party has pitched to Cubans has resonated in the broader Latino community,” said Guillermo Grenier, a sociology professor at Florida International University who conducted last month's poll.

Texas' Hidalgo County, which is home to McAllen and 92% Latino, saw the Democratic victory margin in the presidential race fall to 17 percentage points from 41 points in 2016. In neighboring Starr County, which is 99% Hispanic and which 2016 Democratic presidential nominee Hillary Clinton carried by 60 points, Mr. Biden won by 5 points. Mr. Trump won neighboring Zapata County, which is 95% Hispanic and which Mrs. Clinton carried by 33 points.

Ruben Villarreal, a Republican former mayor of Rio Grande City in Starr County, called the shift stunning, but

understandable. He noted that South Texans have long been more conservative than their Latino counterparts elsewhere, especially on religious and social issues such as abortion. Mr. Trump's border wall is highly unpopular in the region, but the issue matters less than economic growth in an area where poverty rates are high, Mr. Villarreal said.

“The message that Democrats were pitching nationally was never going to resonate with the Rio Grande Valley,” he said. “The message [that would], it's very simple: It's jobs, jobs, jobs.”

Though the results shocked many Texas Democrats, polls before the election showed Mr. Biden in a weak position among the state's Latino voters compared with Mrs. Clinton. Some Democrats warned that voters needed to know Mr. Biden better, but the campaign made little outreach there until an 11th-hour visit on Friday by vice-presidential candidate Kamala Harris.

Jared Hockema, the Democratic chairman in Cameron County, which includes Brownsville, said the Rio Grande Valley always asks for more attention and resources from state and national groups.

“It's something we've been talking about for a long time and I hope this will lead to more investment and engagement in this region,” he said.

GOP Keeps Control of State Legislatures

By Christine Mai-Duc

Democrats have come up short in their bid to flip control of several state legislative chambers this year and gain power in a coming round of redistricting.

As of late Wednesday, Republicans had flipped control of two chambers, the New Hampshire state House and Senate, according to the non-partisan National Conference of State Legislatures. Arizona's state Senate and House were too close to call.

Of the 98 partisan chambers, Republicans will control at least 59 next year. (Nebraska has a nonpartisan, unicameral Legislature.)

Republicans will control both legislative chambers in 24 of the 36 states in which legislatures draw district lines for U.S. Congress, the state legislature itself, or both, according to the conference.

Democrats had targeted 10 legislative chambers they hoped to flip, and national groups raised at least \$88 million to support that cause, compared with more than \$60 million for Republicans. The results mirror a weak showing for Democrats in U.S. congressional races.

There are likely to be the fewest partisan changes in state legislative chambers since at least 1944, according to an analysis by the National Conference of State Legislatures.

“There was this massive battle with so much sound and fury and money,” said Tim Storey, the nonpartisan group's executive director. “In the end, there's just very little change.”

Austin Chambers, president of the Republican State Leadership Committee, the GOP's na-

Democrats had targeted 10 legislative chambers they hoped to flip.

tional arm helping state legislative candidates, said his party's ability to influence redistricting after this year's census would benefit it for a decade.

“We beat the hell out of them, and they have nothing to show for it,” Mr. Chambers said in a call with reporters.

Democrats, who thought they were on the offense in many states they lost, blamed polling error and the fact that they were running candidates in district lines drawn largely by the GOP after massive victories in 2010.

“Republicans won because the top of the ticket overperformed and they were running on rigged maps designed for them to win,” said Christina Polizzi, a spokeswoman for the Democratic Legislative Campaign Committee.

In Texas, Democrats failed in their quest to seize nine state House seats and flip the chamber for the first time in 18 years. They had hoped to build on their gains in 2018, when they picked up 12 state House seats mostly in the increasingly diverse suburbs.

With most votes counted, GOP candidates were leading in 14 of the 16 seats targeted by Democrats, according to Texas secretary of state fallies, and were on track to gain one of their own.

“We didn't need Biden to win in Texas, but we needed it to be close,” said Vicky Hausman, co-founder of the group Forward Majority, which poured \$12 million into legislative campaigns in the state. “Obviously, it was not the night that Democrats hoped for up and down the ballot.”

President Trump won Texas, according to the Associated Press, with about 52% of the vote compared with about 46% for Joe Biden.

Patrick Rodenbush, spokesman for a committee formed by former Democratic President Obama and his attorney general, Eric Holder, to influence redistricting, said the group would continue to pursue other strategies, including litigation and trying to affect the partisan makeup of state courts that could invalidate gerrymandered maps.

—Elizabeth Findell contributed to this article.

Pelosi Faces Complaints Over Seats

Continued from Page One

gious fundraiser for the party and disciplinary leader, would face a stiff contest for speaker if Democrats took back the majority but that speculation quickly fizzled when no one stepped up to challenge her.

During an hourslong Democratic call on Thursday, lawmakers peppered leaders with questions and vented their frustrations over the week's losses. Since Tuesday night, Democrats have been wrestling with why polling had been overly optimistic and why the party's brand wasn't strong enough to withstand attacks labeling its candidates as socialists. On the call, Mrs. Pelosi didn't immediately provide an answer, lawmakers said.

The Democrats' success in 2018 in expanding the Democratic map also came with the rise of an outspoken progressive wing, including Rep. Alexandria Ocasio-Cortez in New York, setting up tension between the party's two wings that might now escalate in the next Congress.

In the call Thursday, Mrs. Pelosi cast the 2020 results as a measured success, saying the result had created a mandate for Democrat Joe Biden if he wins the presidency.

“We held the House. Joe Biden is on a clear path to be the next president of the United States,” she said, according to a person on the call. She called the week's elections challenging and said that President Trump's name on the ballot had boosted GOP turnout, peo-



Lawmakers questioned Mrs. Pelosi about why polling had been overly optimistic.

ple on the call said.

“Clearly with Trump on the ballot, we knew it would be a steeper climb,” Mrs. Pelosi said, according to a person on the call. “We did not win every battle but we did win the war. Every one of you knows that incumbent protection is my number one priority.”

Those comments irked some centrists, who said lawmakers in competitive districts had been hurt by negative ads calling them socialists who would raise taxes to pay for programs like the Green New Deal. They said candidates were also hurt by some progressives' calls to defund the police.

“This was a loss,” said centrist Rep. Abigail Spanberger (D., Va.) on the call, according to two people familiar with her comments. “This almost cost me my seat,” she said.

Ms. Spanberger, who worked undercover as a CIA case officer before flipping a red seat in 2018, represents the Richmond, Va.-area district once held by

Republican Majority Leader Eric Cantor. Ms. Spanberger has the lead in her race but it hasn't been called by the Associated Press. Ms. Spanberger's office didn't respond to a request to comment.

Some centrist Democrats pointed the finger at the progressive wing of the party, which has consistently pushed legislation to the left and attacked centrist members for not being bold enough on issues including health care and the environment. Both centrist and progressive candidates struck out on Tuesday in trying to flip Republican seats.

“I think progressives are going to make this argument that Democrats just weren't progressive enough,” said Rep. Stephanie Murphy (D., Fla.). “Either they are already partaking in the mushrooms that D.C. approved, they are living in their own fiction here,” referring to a referendum that district voters passed.

Progressives pushed back,

saying they had boosted turnout and energized voters.

“We didn't get the repudiation of Trump that we wanted but we turned out huge numbers of young people, brown and Black people,” Rep. Pramila Jayapal (D., Wash.) said on the caucus call, according to a person familiar with the matter. “Don't be so quick to blame the progressive members who have been responsible for energizing these groups who will ultimately save the day for the race for the White House.”

Rep. Cheri Bustos of Illinois, the head of the Democrats' campaign arm, said she was looking into why the Democrats fell short.

“Something went wrong here across the entire political world,” Ms. Bustos told the caucus, according to a Democrat on the call. “We never named a number. We never called our shot. We have consistently reminded this caucus that we are running deep into Trump territory, on both of-

fense and defense.”

Ms. Bustos won her seat with 51.8% of the vote, compared with 48.2% for her GOP opponent, attorney Esther Joy King, her closest finish to date.

Republicans said the results showed Democrats had been overconfident.

“We were told that we were done,” Rep. Tom Emmer (R., Minn.), head of the House Republicans' campaign arm, told reporters. “Clearly, we're not done. Right now, Nancy Pelosi doesn't even have a majority where she can be re-elected speaker again. Who would have ever guessed that was possible.”

In one race in red-leaning Indianapolis suburbs considered a bellwether by both parties, GOP state Sen. Victoria Spartz was declared the victor Wednesday night by the Associated Press against Democratic state Assemblywoman Christina Hale in the race to succeed retiring GOP Rep. Susan Brooks.

Republicans also reclaimed the seat held by retiring Rep. Justin Amash of Michigan, whose frustration with President Trump had prompted him to leave the party and become a Libertarian. U.S. Army veteran Peter Meijer, a Republican, defeated Democrat Hillary Scholten, an attorney who advised the Justice Department on immigration policy during the Obama administration.

Heading into the election, Mrs. Pelosi and her top two lieutenants—Reps. Steny Hoyer (D., Md.) and James Clyburn (D., S.C.)—had been expected to win their positions again. They have no challengers and have managed to steer the Democratic caucus through a tumultuous two years that included a record-setting government shutdown, impeachment of Mr. Trump and a global pandemic.

—Madeleine Ngo and Siobhan Hughes contributed to this article.

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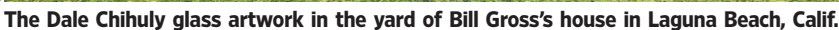
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Gilligan Stars in an Art Feud

Mr. Gross, who retired from finance last year, and Ms. Schwartz, a former tennis pro, declined interview requests through their spokesman.



In April, Mr. Gross put up tall protective netting over the artwork. Mr. Towfiq then filed his complaint, and city inspectors took a look. Laguna Beach sent Mr. Gross a July 28 letter saying he needed a permit for the artwork. Mr. Towfiq said that was when Mr. Gross and Ms. Schwartz started playing the Gilligan's Island theme song through speakers near Mr. Towfiq's property line.

On Oct. 13, Mr. Gross filed a

Mr. Towfiq asked Mr. Gross and Ms. Schwartz to turn down the music, according to text message copies accompanying the restraining order request filed by Mr. Towfiq on

Oct. 15. In a response from a contact listed as "Amy," the person wrote, "Peace on all fronts or well[sic] just have nightly concerts big boy." Mr. Towfiq said it came from Ms. Schwartz's phone. Mr. Gross and Ms. Schwartz, through a spokesman, declined to comment on the text.

Mr. Gross in his statement seeking a temporary restraining order alleged that he once had to hide in his own backyard when Mr. Towfiq ap-

Mr. Towfiq said in a court filing that he pulled out his phone only because he saw Mr. Gross “sneaking in a crouched position toward a wall along the property line by our carport.”

Kian Khaloghli, who lives across the street, offered to mediate. "They can all come into my backyard and have a glass of wine, and we can figure this out," he said.

Mr. Towfiq said the dispute with his neighbor has damaged childhood memories of Gilligan's Island. "We had a black-and-white TV. I remember once a week, we'd all line up to watch," he said. "This has kind of ruined it for us, but it's still a good show."

DOJ Seizes \$1 Billion In Bitcoins

The government didn't say what it would do with the bitcoins, but other coins seized from Mr. Ulbricht were auctioned. The Justice Department has had a bitcoin wallet where it stores seized digital currency since at least the time of the Silk Road shutdown.

In prior auctions, preregistered bidders competed to offer the best price. The proceeds were handled by the government like other civil forfeiture procedures, in which they are kept by the agency and added to its budget.

Although the bitcoins seized this week are currently worth more than \$1 billion, it isn't clear how much the government could get for them in an auction. Bitcoin is notoriously volatile, and the price could be significantly different

The hacker was identified by the Justice Department only as “Individual X.” It isn’t known whether that individual has been arrested, or assisted in the seizure. The department didn’t disclose how it gained access to the hacker’s wallet, and a DOJ representative didn’t respond to a request for further details.

Some of the stolen bitcoins had been moved in 2015 through an exchange called BTC-e that the government shut down in 2017, Chainalysis said in a blog post. The rest had been sitting in the hacker's wallet, untouched for years.

The bitcoins were contained within a single “address”—a string of letters and numbers that identifies transactions within a digital wallet—and that address had the fourth-highest balance of any bitcoin address, Mr. Robinson of Elliptic said.

Bitcoin transactions are recorded publicly in an open ledger called the blockchain, so any billion-dollar transactions would quickly be noticed.

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FDA Chief Wins Over His Doubters

By THOMAS M. BURTON

WASHINGTON—Stephen M. Hahn has taken hits from all directions in the 10 months he has led the Food and Drug Administration.

President Trump accused the FDA under Dr. Hahn of intentionally delaying a Covid-19 vaccine to hurt his chances of re-election—and he was the man who gave Dr. Hahn the job. Over Dr. Hahn’s objections, Health Secretary Alex Azar curtailed the FDA’s ability to regulate laboratory tests created by hundreds of hospitals.

With the FDA serving as gatekeeper for a Covid-19 vaccine, some Democrats and outside medical specialists questioned whether Dr. Hahn would put politics over science and rush a vaccine to market to boost Mr. Trump’s re-election chances.

An answer came last month, when Dr. Hahn and his leadership team held fast to a rigorous vaccine-approval plan that was accepted by the White House after earlier objections, likely delaying any widespread distribution of the vaccine for weeks or months.

“He stood up to Trump and he’s doing the right thing with vaccines,” said Eric Topol, director of the Scripps Research Translational Institute in La Jolla, Calif., and author of an open letter in August that said he was “gravely concerned” about Dr. Hahn’s leadership. “I’ve developed immense trust for him and his efforts.”

Dr. Hahn, who was sworn in as FDA commissioner by Mr. Trump on Dec. 17, faced the firing line as the Covid-19 pandemic took hold early this year. His agency was criticized for being slow to authorize many Covid-19 lab tests early

on, then far too quick to allow use of unproven antibody tests.

As the crisis dragged on, the FDA came under further attack for granting emergency-use authorizations to treat Covid-19 with malaria drugs such as hydroxychloroquine and with convalescent plasma, a blood component taken from recovered patients.

“What we saw was an agency that caved to White House pressure when it issued emergency-use authorizations for chloroquine, hydroxychloroquine and convalescent plasma for treatment of Covid-19,” said Michael A. Carome, director of the Public Citizen Health Research Group in Washington.

Dr. Hahn acknowledged mistakenly overstating the benefits of convalescent plasma at a White House news conference in August, but said his FDA made its decisions based on science, not politics.

“Data and science drive all our work at the FDA,” he said in a statement in response to a request for comment. “Career scientists, who are experts in their fields, have made and will continue to make the decisions about medical products, including granting emergency-use authorizations during the pandemic.”

Dr. Hahn was well-regarded as the chief medical executive of the University of Texas MD Anderson Cancer Center in Houston, but was perceived as an outsider by many among the FDA’s leadership, and less adept at political maneuvering than predecessor Scott Gottlieb.

In the early days of the pandemic, one senior official worried that Dr. Hahn was “way too impressed by the glitterati at the White House.” That same official now says that Dr. Hahn is supportive of



FDA Commissioner Stephen M. Hahn sat next to Anthony Fauci and other top officials at a House panel hearing in February.

the agency’s scientists and has stood up to pressure.

On Sept. 10, eight senior FDA scientists including Dr. Peter Marks, who oversees vaccines at the FDA, published an essay in USA Today saying they would work to ensure that the FDA’s vaccine decisions would be guided by the best science.

‘He stood up to Trump and he’s doing the right thing with vaccines.’

The scientists didn’t inform Dr. Hahn of their essay before publication, concerned it might put him in an awkward position. Dr. Hahn nonetheless immediately endorsed it, further winning over skeptics.

“He will not countermand his senior scientists and senior advisers,” one FDA official said. “He has said as much to his senior advisers in internal conversations.”

Dr. Hahn hasn’t always prevailed in disputes with senior administration officials. In August, Mr. Azar sided with the lab industry and against the FDA and largely cut regulatory oversight—carried out by the FDA—over tests developed by hospitals.

Dr. Hahn fought back. The agency’s rationale for maintaining scrutiny over these tests was explained in a 2015 FDA report citing inaccuracies in some tests for ovarian cancer, certain kinds of heart disease, Lyme disease, whooping cough and autism. But Mr. Azar’s decision stood.

Caitlin Oakley, a spokeswoman for Mr. Azar, said the Health and Human Services secretary “has a good, professional relationship with the commissioner and they speak multiple times a day.”

Dr. Hahn’s response to the coronavirus pandemic will be the defining moment of his FDA career. Throughout the summer, Mr. Trump’s critics warned of an “October surprise”—saying the president would push out a virus vaccine prematurely to boost his

chances for re-election.

That didn’t happen, and on Oct. 6 the White House cast aside its objections and accepted the FDA’s plans for vetting a Covid-19 vaccine.

“Any vaccine that is brought to market will have met all medical and scientific vetting, and will have gone through review by a fully independent board,” White House spokeswoman Sarah Matthews said.

Longtime FDA officials say Mr. Trump’s oversight of the agency has been significantly more intrusive than what they had come to expect under previous administrations.

Mr. Trump pushed the agency to approve two malaria drugs as treatments for Covid-19, saying with minimal evidence that the related medicines hydroxychloroquine and chloroquine had “a real chance to be one of the biggest game-changers in the history of medicine.”

After the comments, the drugs, depended on by patients for rheumatoid arthritis and lupus, in addition to malaria, quickly fell into shortages and panic-buying.

The FDA in March gave an emergency-use authorization for the drugs based on some early studies from China and France—and because of the shortages. Later studies convinced the FDA in June that the balance of evidence had tipped against the drugs, and the agency withdrew its clearance.

Even a decision based on science ended up looking political.

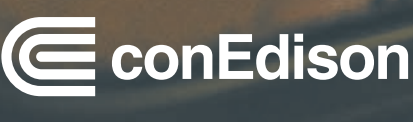
In announcing the FDA’s authorization of convalescent plasma, the antibody-rich blood component from Covid-19 survivors, Dr. Hahn inadvertently overstated research on the curative powers of the therapy. He quickly owned up to the mistake. While convalescent-plasma treatments apparently show more benefits than risks, there still haven’t been the kind of gold-standard, placebo-controlled studies that would provide compelling proof.

“One positive step does not undo all of the problematic decisions in the last year,” said Harvard medical professor Aaron Kesselheim. “But it is a step in the right direction.”

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WORLD NEWS

Austria, France Push to Quell Islamists

After recent terrorist attacks, leaders seek unified EU procedures to combat extremists

By BOJAN PANCEVSKI

VIENNA—Austria and France are planning a joint push for tougher European Union-wide measures to stamp out Islamist extremism on the continent after terrorist attacks in both countries in recent weeks, officials in Vienna and Paris said Thursday.

Austrian Chancellor Sebastian Kurz and French President Emmanuel Macron are expected to hold a videoconference next week with senior EU officials to discuss steps ranging from better screening of asylum seekers to harsher penalties for citizens who have fought with extremist groups abroad.

The two men want to put their proposals before other EU leaders at a Nov. 19 summit, according to Mr. Kurz and EU and French officials.



France's Emmanuel Macron, center, on Thursday, at the border with Spain, announcing more patrols.

“We will create a legal and political framework to fight with all our might political Islam—not only as a terrorism or a law-and-order issue, but as an ideology that is planting hatred into young people across Europe,” Mr. Kurz said in an interview.

Mr. Kurz, who said he spoke to Mr. Macron just after the Vienna attack, said the proposals would focus on tougher sentencing for foreign fighters and supporters of Islamic State and other terror groups. A senior French government official confirmed the plans.

European governments have struggled to deal with radicalized Islamists, given the relatively short prison terms under European laws for returning Islamic State fighters and for nonviolent terrorism crimes such as membership in a banned organization. Keep-

ing tabs on thousands of extremists has also been complicated by a lack of security personnel and document-free travel across much of the EU.

The issue is especially pressing now as hundreds of men who went to fight in Syria and their families—now held in Syria, Iraq and Turkey—are expected to return to Europe in coming months.

Kujtim Fejzulai, the gunman who killed four people and injured many more in the attack in Vienna on Monday night, was an Austrian citizen convicted of trying to join Islamic State. He had been released from prison last year after serving two-thirds of a 22-month sentence.

The mosque in which Fejzulai was radicalized was shut down by the government in 2018 along with six other prayer houses and an Arabic cultural association accused of spreading radicalism. A court overturned the decision, citing a lack of evidence of extremism and religious freedom.

Last month, a suspected Islamist decapitated a teacher in

a town near Paris and another killed three people at a church in Nice. The suspected perpetrator of the Nice attack, a Tunisian national, acted just over a month after landing in Italy to seek asylum.

They are the latest examples of what has been a long-running trend. In November 2019, Usman Khan, a 28-year-old Islamist, killed two people in London one year after being released from prison following his conviction in a bombing plot.

Mr. Macron last month announced a domestic effort to fight what he called Islamist separatism in France and Europe, echoing a mounting belief in France—and now in Austria—that Islamist radicals have used constitutional speech and religious protections to encourage violence.

On Thursday, Mr. Macron said France would double the size of its border police and called for the EU to do the same at the bloc's external border

—Noemie Bisserbe in Paris contributed to this article.

Kosovo Leader Quits to Face War-Crimes Charges

By LAURENCE NORMAN

Kosovo's President Hashim Thaci resigned Thursday and was transferred to The Hague after being indicted over war-crimes charges by an international tribunal.

Mr. Thaci, a veteran power broker in the Balkans who has held top Kosovo posts for years, said Thursday he would fight the charges, which include murder, enforced disappearance of persons, persecution and torture, dating back to the wars in the former Yugoslavia in the 1990s.

“I don't want to face the court as the president. In order to protect the integrity of the state, therefore, I resign,”

Mr. Thaci said.

The tribunal late Thursday confirmed that Mr. Thaci, Kadri Veseli, former speaker of Kosovo's parliament, and two others had been arrested and taken to the court's detention centers in the Netherlands.

Mr. Thaci's indictment had been expected for months after the tribunal's prosecutor's office in June said it was preparing charges against him. At the time, it accused Messrs. Thaci and Veseli of seeking to undermine the investigation.

The move in June came as Mr. Thaci was on his way to Washington for White House-hosted reconciliation talks between Serbia and its former province, Kosovo, which de-

clared independence in 2008.

An economic agreement was eventually sealed between the former foes in Washington in September.

Mr. Thaci was a leading



'I don't want to face the court as the president,' Hashim Thaci said upon his resignation.

figure in the political wing of Kosovo's guerrilla force, the Kosovo Liberation Army, which fought for independence from Serbia in a war in

the late 1990s.

The U.S. and its European allies in 1999 deployed North Atlantic Treaty Organization forces to protect mainly Muslim Kosovars from what it considered ethnic cleansing by Serbian strongman Slobodan Milosevic's forces.

Mr. Thaci, a well-connected figure in Washington and other Western capitals, has long denied allegations he was involved in war crimes, including allegations that fighters killed some prisoners to sell their internal organs. After going to The Hague, he is expected to ask to return to Kosovo in coming weeks to fight the case.

In recent weeks, the prosecutor's office of the Kosovo

Specialist Chambers has made a series of arrests in Kosovo, including in some high-profile raids, to bring former KLA officials to The Hague.

The tribunal said the charges related to alleged crimes committed between March 1998 and September 1999 against “hundreds of civilians and persons not taking part in hostilities.” The court said victims included political opponents of the KLA, including the Serbian and Roma populations, civilians suspected of collaborating with Serb authorities and people who wouldn't join or support the KLA.

Under Kosovo law, a new president can be picked by a majority in Parliament.

U.S. Plans Sanctions On Figure In Lebanon

By BENOIT FAUCON AND DION NISSENBAUM

The Trump administration is expected on Friday to impose sanctions on one of Lebanon's most powerful Christian politicians in an effort to chip away at Hezbollah's grip on power, according to people briefed on the move.

The U.S. is preparing to sanction former Foreign Minister Gebran Bassil for assisting his key ally, the pro-Iranian political movement Hezbollah, said a U.S. official and another person briefed on the plan. The move is likely to upend attempts to form a new cabinet in crisis-ridden Lebanon.

The White House has been expediting key sanctions targeting American foes in the Middle East, just 11 weeks before the end of the current presidential term.

Though a last-minute change is still possible, the decision has been approved in principle by the Treasury Department and Secretary of State Mike Pompeo, who is expected to unveil the sanctions in Washington on Friday, one person said.

Treasury Department representatives didn't return requests for comment. A spokesman for the State Department declined to comment.

Mr. Bassil couldn't be reached Thursday for comment. Earlier this year, when asked about the possibility of being sanctioned by the U.S. for his ties to Hezbollah, Mr. Bassil told The Wall Street Journal that working with the group was a political reality in a country in which the Shiite group is a dominant player.

“Everybody should be sanctioned in Lebanon, because everybody deals with Hezbollah in Lebanon, on all terms,” he said.

Mr. Bassil, the son-in-law of Lebanon's president and head of the Christian-led Free Patriotic Movement, is at the center of efforts to form a new government in the wake of the massive Aug. 4 Beirut port explosion of a warehouse filled with volatile fertilizer. The blast killed 200 people, destroyed large sections of the city and brought down the last coalition government.

Anticorruption protests last year toppled the government led by Prime Minister Saad Hariri. But two successive prime ministers were unable to pull the country out of an economic and political tailspin. Lebanese politicians recently asked Mr. Hariri to return as prime minister, and he is trying to form a new coalition government. But Mr. Bassil has been accused by Mr. Hariri's allies of seeking inordinate influence in the new government, slowing down the talks.

Mr. Bassil's blacklisting would “blow up the formation of the government,” one person briefed on the matter said.

More Western Nations Adopt State Support of Businesses

By TOM FAIRLESS AND STELLA YIFAN XIE

FRANKFURT—Western governments are taking a page from their Asian rivals and moving away from the free-market doctrine that defined their economic thinking for decades, instead embracing greater state control of business activity.

The shift reflects a deep anxiety about the West's ability to maintain its living standards and technological edge

while competing with giant state-backed companies in China and elsewhere in Asia.

The trend is being accelerated by the Covid-19 pandemic, which has prompted a rethink of the balance between the state and private sector, as well as fresh ideas about how giant stimulus programs in Europe and the U.S. could be deployed to reshape economies.

In the European Union, an export powerhouse that had long prized laissez-faire policies and free trade, leaders

last month vowed to erect barriers to foreign competitors, repatriate production of key technologies, reduce dependencies in sensitive industries such as health, and create new digital champions.

Italian state-backed lender Cassa Depositi e Prestiti last month took a stake in European exchange operator Euronext NV to support its buyout of the Italian stock exchange. Germany's government recently demanded a 20% stake in national flag carrier Deutsche Lufthansa AG, which was privatized in 1997, and two supervisory board seats, in return for a \$10 billion bailout.

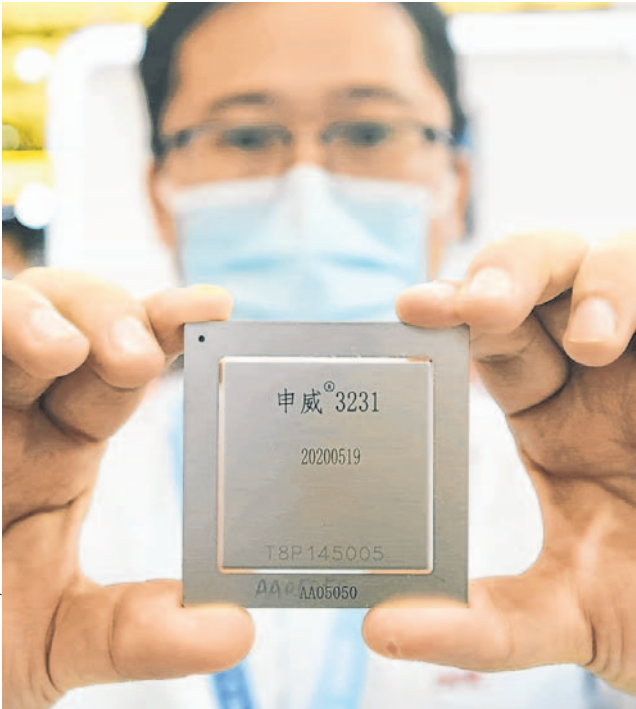
In the U.S., both main political parties are moving toward a stronger role for the government on economic issues. The administration and lawmakers from both parties also are pushing for additional funding to help the U.S. semiconductor industry keep its edge over China, offering incentives to firms to build factories in the U.S. and funding research.

“It's a major historical development,” said Adam Posen, a former Bank of England policy maker who is now president of the Peterson Institute for International Economics in Washington. “It's a reaction to China. It's a reaction to Covid-19 and wanting to have more reliability and government control.”

The changes reflect a fundamental philosophical shift away from the market-oriented consensus dominant in the West since around 1980, which emphasizes a reduction in state support for businesses, the removal of regulations impeding competition, and trade liberalization.

Now, as Western governments wield enormous stimulus packages, they are pouring money into industries traditionally considered beyond the remit of the state.

Italy plans to spend €2 billion, equivalent to \$2.3 billion, to buy and refurbish hotels devastated by the crash in tourism. In France, authorities plan to spend hundreds of millions of euros to buy local



China has invested in industries such as semiconductors.

stores to support quintessentially French businesses such as bakeries and cheese shops.

In the U.K., Prime Minister Boris Johnson's government has signaled it will pursue an industrial policy of state aid to businesses after Brexit, risking a rift with the EU.

Across Europe, businesses and policy makers are fearful of being squeezed out of new digital industries dominated by U.S. and Chinese companies.

Meanwhile, the pandemic has driven Asian countries to double down on the tradition of state intervention that has fueled growth and produced winning industries such as electronics manufacturing in

South Korea and Japan, and China's solar power and semiconductor industries.

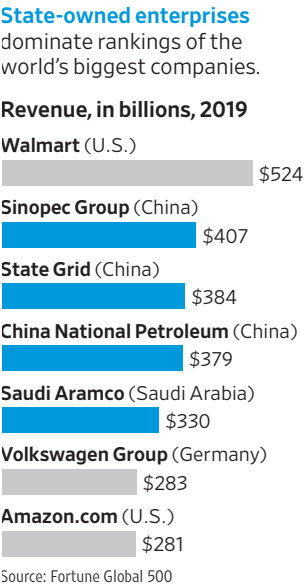
The Trump administration's trade policy, which requires China to buy more goods from the U.S., depends on Beijing ordering state-owned companies to increase their purchases. Administration officials say they are simply accepting Chinese economic policy as it is, rather than trying to compel China to rely more on market forces.

There are risks to the state-hand approach. In China, concerns are growing among some economists that a fresh wave of government spending on power, gas and water-supply infrastructure will exacerbate overinvestment in those sectors. In Europe, the Common Agricultural Policy became infamous for generating huge inefficiencies—so-called butter mountains and lakes of wine. The Italian government has spent billions of euros trying to make airline Alitalia a success, only for it to continue losing money.

Economically successful East Asian nations including Japan, South Korea and Taiwan have a history of government intervention and encouraging big export industries. Close ties between governments and the private sector are widely credited for having lifted the region out of poverty.

—Eun Young Jeong contributed to this article.

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WORLD NEWS

BOE Adds Stimulus To Counter Case Surge

By Jason Douglas
And Paul Hannon

LONDON—The Bank of England announced another dose of bond purchases, becoming the first major central bank in Europe to boost stimulus measures in response to a second wave of coronavirus infections. The European Central Bank has signaled it is also readying more stimulus for as soon as December, as countries including France and Germany close parts of their economies to halt the rise in infections. But economists have warned that central banks can do only so much to counter the effects of the pandemic and have called on governments to do more. The BOE's Monetary Policy Committee on Thursday agreed to another £150 billion of U.K. government bond purchases, equivalent to \$195 billion. It takes the overall size of the BOE's portfolio of government and corporate assets to £895 billion. Officials voted to keep the central bank's benchmark interest rate at 0.1%. The committee said it expects the economy to shrink in the final quarter of 2020 as England moves into a four-week lockdown to slow the rate of infections. Scotland, Wales and Northern Ireland have put in place similar restrictions. The economic forecast assumes the U.K. and the European Union would reach terms for a free-trade accord before the end of the year. Failure to do so would result in new trade barriers between the U.K. and its neighbors, who consume around half Britain's exports. "The outlook for the economy remains unusually uncertain. It depends on the evolution of the pandemic and measures taken to protect public health, as well as the nature of, and transition to, the new trading arrangements between the European Union and the United Kingdom," the panel said. Central banks have taken sweeping action to shore up pandemic-hit economies since the virus hit this year and governments imposed curbs

195
Billions of dollars of U.K. bonds the BOE agreed to buy Thursday

on economic activity and daily life in an effort to beat back infections. With the virus surging again, some are expanding stimulus measures. The Reserve Bank of Australia on Tuesday cut its official cash rate to near zero and announced a 100 billion Australian dollar, equivalent to US\$70.57 billion, quantitative-easing program as it seeks to power up the economic recovery that is tentatively emerging across the country. In Europe, the ECB said it intends to scale up its support of the eurozone's economy in December with a package that could include billions of dollars of new bond purchases as well as an interest-rate cut and cheaper loans for banks. Europe's sudden economic slowdown contrasts with the relative resilience of the U.S. and Asia economies. In Asia, major economies like China and Japan have managed to keep down infection rates through a variety of public-policy measures and widespread compliance by their populations. Central bankers have stressed the need for continued fiscal stimulus as economies recover from the pandemic's economic consequences. But the path of fiscal policy is uncertain. Lawmakers in the U.S. have been deadlocked for months over an economic-relief package and in Europe national governments have yet to give the final go-ahead to a €750 billion, equivalent to \$879 billion, stimulus fund for weaker member states. A program to subsidize the wages of employees unable to work because of the new restrictions will be extended until the end of March, U.K. Treasury chief Rishi Sunak said Thursday. The program had been due to end in December.

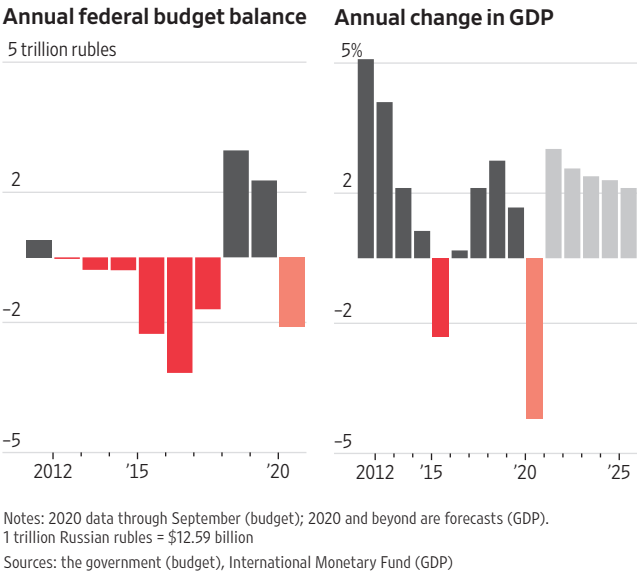
Russia Aims to Close Tax Loopholes

By Georgi Kantchev

MOSCOW—The economic crisis sparked by the coronavirus pandemic is pushing the Kremlin to clamp down on tax avoidance and close an offshore loophole popular with Russian business, as the government tries to plug holes in its budget. Starting in January, Moscow says it will begin taxing at higher rates profit companies transfer to lower-tax jurisdictions such as Cyprus, Malta and Luxembourg, marking some of the most aggressive steps taken by Moscow in recent years to claw back tax revenue. Until now, companies based in Russia that sent profit—in the form of dividends or interest income—to holding companies domiciled in those jurisdictions paid only an average of 2% tax to Russian tax authorities. That rule originally sought to encourage foreign companies to set up business in Russia by lightly taxing profit they returned to their home countries. However, Russian companies have long used the loophole to lower their tax bill at home. In Russia, most interest and dividend income is taxed at 20% and 13%, respectively. In Cyprus, for instance, tax rates on such income can be as low as zero. The Russian government will now raise the tax on most dividend and interest transfers to Cyprus, Malta and Luxembourg to 15%. Officials expect to

earn over \$2 billion a year. "We had been watching this process for a long time," said Alexey Sazanov, Russia's deputy finance minister. "Of course, this situation doesn't suit us." The changes are part of a long-term drive by President Vladimir Putin to combat financial outflows and bring Russian capital back home. The combination of coronavirus lockdowns and low oil prices hit budget revenues and plunged the country into a deep recession this year, creating "such a catalyst that pushed us to take decisive action," Mr. Sazanov said. The cash is needed to shore up state coffers. Russia ran a budget deficit of \$23 billion in the first nine months of the year as the downturn hit revenue while spending rose with increased handouts to businesses, families and the poor. The economy is expected to shrink by 4.1% this year, according to the International Monetary Fund. "We are interested not in diverting cash flow to some other country, but in keeping these funds with us—again, either taxed fairly or invested in development," Mr. Putin said at a government meeting in August. The Russian move could be a precursor of similar efforts around the world, as governments will eventually need to raise new revenue to pay for the huge economic and social programs now supporting their populations during the

Russia is headed toward a budget deficit for the first time since 2017, and a fall in GDP growth for the first time since 2015.



pandemic. "What Russia is doing amounts to a hammer tactic. It's a unique approach," said Daniel Bunn, vice president of global projects at the Tax Foundation, an independent tax-policy nonprofit group based in Washington. The changes could raise tax obligations for some major Russian businesses. Hundreds of Russian companies are registered in Cyprus, for example. Among them are farming conglomerate Rusagro and internet group Mail.ru as well as payments provider Qiwi. O'Key

Group, which has more than 160 supermarkets across Russia, is registered in Luxembourg. Russia's largest technology company, Yandex, and X5 Retail Group, the largest retailer, are both registered in the Netherlands. Mail.ru, Qiwi and Yandex declined to comment. The other companies didn't respond to requests to comment. "Some company clients are looking into options to change their corporate structures, move jurisdictions or return to Russia," said Rustem Ahmetshin, senior partner at Moscow-based law firm Pepeliaev

Group. "But such changes are costly and take time." The country's wealthy could also be indirectly affected since they are often major shareholders or own such companies. However, the new law doesn't affect the large flows of Russian personal wealth that are stashed in low-tax jurisdictions, particularly in Cyprus. The government has been trying to persuade Russian firms to return home in recent years by creating special administrative regions in Kaliningrad and Russky Island in the Far East. Known as Russian offshore, these locations offer favorable tax regimes and administrative mechanisms allowing companies to move to Russia quickly and cheaply. Some 30 to 40 companies are in the process of redomiciling, Russia's Deputy Economy Minister Ilya Torosov told Russian news agency Interfax last month. "Will there be hundreds of them? Yes. Will there be thousands of them? We do not know," he said. Russian officials say they are looking to improve conditions further to stimulate more companies to come back. "We are striving to create more attractive conditions in the special administrative regions than in Cyprus or the Netherlands after the revision of [the tax] agreements," said Mr. Sazanov, the finance official, by improving the tax and legal frameworks of these regions.

Denmark to Cull Mink for Coronavirus Risk

By Sune Engel Rasmussen

The novel coronavirus has found a new victim: Denmark's entire population of farmed mink has been ordered culled after researchers discovered the animals harbor mutations of the virus now spreading to humans. The Danish government's decision to kill up to 17 million of the animals, which are farmed for their fur pelts, is a crippling blow to the world's largest mink industry. But officials say it is a necessary precaution to reduce the risk posed by the mutations, which could change the gene structure in the virus in a way that could make it less susceptible to vaccines now under development. "Studies have shown that the mutations could affect the current candidates for a Covid-19 vaccine," Danish Health Minister Magnus Heunicke said in a news briefing Wednesday. At least 12 Danes have been infected with a mutated coronavirus connected to mink, the government said. Authorities worry that if the problem isn't addressed, the mink will build a reservoir of a mutated form of the coronavirus that causes Covid-19 that could then be passed on to humans, and be impervious to a vaccine. They fear it could set off a new cluster of infections. "Worst-case scenario is that we have a pandemic that will start all over again, starting from Denmark," said Kåre Mølbak, Denmark's state epidemiologist. Danish mink are culled with carbon monoxide. Demand has already overwhelmed the usual destruction facility, and the Danish Veterinary and Food Administration has asked industrial incinerator plants for assistance. The move comes as Denmark and much of the rest of Europe resume tight lockdowns to slow the spread of the virus amid a surge in in-



Danish government workers in an earlier mink cull, in October, at a fur farm in Gjoel. Denmark has the world's largest mink industry.

fections that are expected to strain economies and health systems. The government in Copenhagen on Thursday ordered a monthlong closure of bars, restaurants and sports facilities in northern Jutland, where the infected mink farms are located, and encouraged residents in the area not to travel. In all, 207 of Denmark's 1,139 mink farms have detected animals infected with coronavirus. The government's previous policy was to cull all mink within a 4.8-mile radius of an infected farm. Millions of the animals have already been killed. The decision to cull the rest effectively wipes out the country's third-largest agricultural export for years to come, if not permanently. Last year the business generated \$760 million in exports, primarily to China. "This is a decision that we, as a government, make with a



heavy heart," said Danish Prime Minister Mette Frederiksen, who on Wednesday was self-isolating along with most of her government after a minister caught Covid-19. "I would like to express my sympathy for the Danish mink farmers. Many of you will lose your life's work."

Transmission of coronavirus between animals is rare but mink have shown to be one of the animals most susceptible to the coronavirus, partly because they are farmed in huge numbers in proximity with one another. The new coronavirus is transmitted via a protein called ACE2, which works as a receptor for the coronavirus spike protein. Contact between ACE2 and the spike protein is the first step in infection between humans, and between humans and other mammals. Birds and reptiles also possess the ACE2 protein, but with gene structures that are sufficiently different from those of mammals that infections of the new coronavirus haven't yet been observed. Danish researchers have found seven different types of mutations in the spike protein, which is the basis for several

vaccines under development. The researchers said they found one mutated form of the virus with four genetic changes to its spike protein that reduced the virus's vulnerability to antibodies and could render vaccines less effective. "The good news is that there are other candidate vaccines," said Joanne Santini, professor of microbiology at University College London. "The real concern, I believe, is the fact that changes in the spike protein could increase viral infectivity or even broaden the host range of this virus, meaning that more species could be infected. This requires surveillance and precautionary risk mitigation." In the Netherlands, outbreaks on more than 40 mink farms have prompted the government to cull some 1.5 million animals and bring forward a ban on mink farming.

WORLD WATCH

EUROPEAN UNION

Defense Projects Opened to Outsiders

The European Union agreed Thursday on a set of rules for allowing nonmember countries such as the U.S. or Britain to take part in dozens of potentially lucrative defense projects. So far, 47 projects have been launched under the EU's scheme of Permanent Structured Cooperation, or PESCO. They range from the construction of command centers and antitime systems to developing new drones and upgrading aircraft and tanks. Each project is run by small groups of EU member countries. President Trump threatened retaliation last year if the U.S.

wasn't permitted to take part. Britain also is keen to be involved in the defense projects even though it officially left the EU this year, and questions remain over whether it will reach an agreement on future relations with the bloc. EU member countries hailed the rules agreement and said it "will enhance the EU's strategic autonomy and strengthen its capacity to act as a security provider, together with its partners." Participation by nonmembers would be judged on a number of political considerations. For instance, the countries would have to share the values on which the EU is founded. Applicants would also have to bring substantial added value to the project. —Associated Press

CENTRAL AMERICA

Scores are Dead Following Storm Eta

Heavy rains from tropical depression Eta brought death and devastation to Central America, with Honduras ordering the evacuation of a major valley and Guatemala reporting the deaths of more than 50 people. Guatemalan President Alejandro Giammattei said a mudslide in the village of Quejá, in central Guatemala, buried around 25 houses—or half the village—with at least 50 people inside. In Honduras, where there were at least 11 deaths, the government ordered the evacuation of the flooded Sula Valley. —Anthony Harrup

ETHIOPIA

Army Claims Region Precipitated 'War'

Ethiopia's army said Thursday the country has been forced into an "unexpected and aimless war" with its well-armed Tigray region, while Tigray asserted that fighter jets had bombed areas around its capital. Ethiopia's army deputy chief said military forces are being sent to the fighting in Tigray from other parts of the country. "The army will not go anywhere," Birhanu Julia told reporters, amid fears that the conflict would spill into other regions of Africa's second-most-populous nation. "The war will end there." For his part, the Tigray re-

gion's president, Debretsion Gebremichael, told reporters that "we are in position to defend ourselves from enemies that waged war on the Tigray region...We are ready to be martyrs." Ethiopia's government has not commented on the bombing allegation, read Thursday evening on a Tigray broadcaster. The strong words came a day after Prime Minister Abiy Ahmed told the nation the military will carry out further operations this week in response to an alleged deadly attack on a military base by the regional government. Observers warn that a civil war in Ethiopia involving Tigray could destabilize the already turbulent Horn of Africa. —Associated Press

GREATER NEW YORK

More In-Person School Possible Soon

Schedules might shift after opt-in period ends Nov. 15 and principals see what more to offer

By Katie Honan

New York City public-school students enrolled in the city's hybrid blend of virtual learning and in-person instruction will find out in the coming weeks if they will get additional in-person class time, education officials say.

On Monday, the city began a two-week window for parents of students who are currently enrolled in fully remote learning to opt into the hybrid curriculum. Depending on how many students make the switch, principals could expand the number of days of in-person instruction students receive at some schools, the officials say.

The opt-in period runs through Nov. 15. Currently, 54% of students are enrolled in the all-remote option, according to city data.

The Department of Education, and each individual school, won't know how schedules could change until after the enrollment period ends. It is also possible that more students could switch to all-remote.

Officials say this window to make changes will give them a better idea of what the rest of

the school year could look like.

Christina Foti, a deputy chief academic officer in charge of special education, said in an interview that before schools reopened, school leaders determined in-person instruction schedules based on the capacity of their classes and student population. But the schedules could be adjusted if more students enroll in the hybrid curriculum, Ms. Foti said.

Once the opt-in period ends, "each school has to kind of revisit what they have been able to accomplish to date and revisit their programming models and see what they can do to expand their offerings," she said. "Then we will have a much clearer picture of which schools have the physical capacity to serve students on a five-day-a-week schedule."

Some parents of special-needs students already enrolled in the hybrid program have been the most vocal in calling for additional in-person instruction. They say their children have struggled with the remote-learning portion. Some say their children can't use a mouse, can't type or have other problems with remote learning, sometimes leading to sensory meltdowns that can throw off an entire day.

Some parents have requested more in-person time, but their children's schools haven't been able to accommodate them because of space constraints or staffing shortages.



Student Kenny Scottborough did his work in a science class at a Brooklyn high school last week.

There are approximately 200,000 students with an individualized education plan, and most attend specialized programs within general education schools, according to the Department of Education. That number includes about 25,000 students with more severe needs who attend schools in a program called District 75.

Heather Dailey's son Jordan has attention-deficit disorder and is autistic. He attends a specialized program at a school in Kew Gardens Hills, Queens. He gets so easily distracted

during the virtual learning portion of his curriculum that she puts him on medication to help him focus, she said.

The remote learning has also affected his confidence, she said, and he has for the first time told her he feels stupid.

"It's hard to hear your kid say that," she says. "It's hard to see them struggle."

The Department of Education allows students to switch to fully remote learning at any time. When schools first reopened, the city said fully remote students would have a

few times throughout the academic year to opt in to the hybrid curriculum. But last month the department said the only chance to opt in would be the first two weeks of November.

New York City Mayor Bill de Blasio and Chancellor Richard Carranza have said the enrollment period will give the city a better idea of what parents are interested in after a hectic start to the school year.

The start of in-person learning was delayed twice this fall after the coronavirus pandemic

forced all city students to learn remotely in the spring.

The second delay, announced Sept. 17, was because of growing complaints about a lack of staff after thousands of teachers were given accommodations to work remotely.

Mr. de Blasio has said schools have proved to be safe from widespread coronavirus infections, and that the sole enrollment period gives schools an opportunity to improve their schedules.

Advocates say special-needs students have always faced challenges and roadblocks in their education, and remote learning has exacerbated these difficulties.

They said the city's shortage of teachers also hurts these students the most.

A spokeswoman for the Department of Education said the city has done targeted outreach to recruit and train special education teachers, even offering direct scholarships and loan forgiveness programs.

Mr. de Blasio has said the city will work out any staffing challenges.

Meanwhile, parents of special-needs students say they worry their children will regress without additional in-person learning.

"This is not a little blip in time," said Laurie Hanin, whose son Adam is a special-needs student with autism. "This is their life, and it's really hurting them."



NYPD officers detained a demonstrator during a protest Thursday night. Officials have urged the public to keep rallies peaceful.

Protesters March for Third Night

By Ben Chapman
and Katie Honan

Hundreds of people marched through New York City in support of the Black Lives Matter movement on Thursday evening, marking the third consecutive night of protests since the presidential election.

At least 12 people were arrested during occasional confrontations between marchers and the officers who followed them through Manhattan's Greenwich Village and SoHo neighborhoods. A few more were arrested at the end of the protest in Union Square after police on loudspeakers warned demonstrators to move out of the street.

The protest began outside the Stonewall Inn, a historic gay bar in Greenwich Village, and wound through city streets for hours.

The marchers chanted

"Black Lives Matter" as they strode through stopped traffic flanked by bicyclists.

Scores of police officers in body armor followed the moving protest and blocked intersections to control its direction.

New York Police Department officials wouldn't confirm how many people were arrested or say what charges they faced. However, one protester was arrested and charged with assault after pressing a chain against an officer's neck, the officials said.

One of the protest organizers, Queen Jean, said she had helped organize marches since June 1, after George Floyd was killed May 25 in police custody in Minneapolis. The focus of the marches has been in support of Black lives and Black trans lives, she said.

"It's November and we are still advocating," Ms. Jean said in an interview. "We are not

looters, we are not rioters. We are here solely for Black trans liberation."

The protest came hours after city officials called for demonstrations to be calm.

At least 60 people were arrested in the city Wednesday

Dozens of people have been arrested in protests since election night.

at the Wednesday night march. Another woman was arrested for spitting in the face of an officer, the officials said. Another protester was arrested on weapons charges at the demonstration, where multiple fires were set, according to the officials.

Despite the arrests, NYPD Commissioner Dermot Shea said at a news conference earlier Thursday that the protests this week had been overwhelmingly peaceful.

"The people, they came out, they had signs, they waved American flags, they marched through Manhattan without incident," he said.

Mr. Shea said the arrests that have been made were appropriate and urged everyone to stay calm as the country awaits results in the presidential election.

"Let's let the process play out," he said.

Legalizing Marijuana Becomes Focus Again

By Jimmy Vielkind

Gov. Andrew Cuomo said that the pressure is on New York state lawmakers to legalize marijuana after voters in neighboring New Jersey approved a referendum this week that lets adults use the drug recreationally.

Adult-use marijuana is already legal in Vermont and Massachusetts, which both border New York. But New Jersey is connected to New York City by mass-transit systems that make cross-border traffic likely. And during a time when state budgets are under stress from the coronavirus pandemic, revenue from marijuana sales looks more attractive, advocates say.

"I think this year it is ripe because the state is going to be desperate for funding," Mr. Cuomo said Thursday on a public radio station. "I think it's going to be an easier conversation."

The Democratic governor said he would advance a framework, for the third year in a row, for regulating and taxing marijuana as part of his annual state budget proposal in January. Despite the support of Mr. Cuomo and the Democratic leaders of the state Assembly and Senate, neither legislative house has taken a vote on legalizing marijuana, and it has been dropped from budget bills in the last two years.

There are still disputes between the governor and legislators over who would control any new cannabis regulator and how any revenue would be distributed.

Assembly Majority Leader Crystal Peoples-Stokes, a Democrat from Buffalo who sponsors a marijuana legalization bill, said she still believes that any legalization should set aside "a percentage of the resources for communities that are most damaged from the war on drugs."

There is also concern by Ms. Peoples-Stokes, as well as state Sen. Liz Krueger, that

larger players in the marijuana industry—some of whom already grow and sell medical marijuana in the state—will crowd out entrepreneurs, including people of color.

New York lawmakers voted in 2019 to further decriminalize the use of marijuana, saying enforcement of anti-marijuana laws have disproportionately affected nonwhite people. The use of recreational marijuana is currently permitted in 11 states and Washington, D.C., according to the National Conference of State Legislatures. Voters in Arizona, South Dakota and Montana also voted on measures to legalize recreational marijuana Tuesday.

In New Jersey, more than two-thirds of voters supported a referendum allowing the use of marijuana by people over age 21. Lawmakers say they intend to pass additional legislation to make the market work, but it is unclear how long that will take and when marijuana sales could begin in the state.

Ms. Krueger said Thursday that New Jersey's action should prompt New York lawmakers to move quickly. "It's just one more state taking money out of our back pocket. People will go to get the product, and we're not going to build a wall," she said.

In this year's budget proposal, Mr. Cuomo estimated the state could gain \$20 million from licensing fees in the first year of marijuana sales, a figure that would eventually rise to \$141 million from annual excise taxes.

New York lost \$14.9 billion of revenue as a result of the pandemic, Mr. Cuomo's office estimated last week, and the state faces a projected \$8.7 billion deficit for the fiscal year that will end on March 31, 2022.

Many Republicans, who appear poised to make gains in the state Senate after Tuesday's elections, say they remain skeptical of marijuana legalization. Groups like NYS PTA, which represents school parents, oppose changes to the law.

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GREATER NEW YORK

Judges’ Suit Calls Forced Retirement Age Discrimination

By JOSEPH DE AVILA

A group of judges sued the New York court system, alleging it engaged in age discrimination after denying them a certification that would have allowed them to work beyond the age of 70.

The Administrative Board of the New York State Unified Court System, which oversees administrative policies for the state’s court system, in September denied 46 applications submitted by judges who sought to stay on the bench past the age of 70 and approved three applications, according to the lawsuit filed in state court in Suffolk County on Thursday.

Eliminating these judges will cut resources for the courts, resulting in more delays to a court system already backlogged because of the earlier coronavirus shutdown, they said.

“All of these consequences will be inflicted on a court system teetering on the edge of total dysfunction,” the complaint said.

Four appellate judges who were denied certification and one Suffolk County attorney filed the lawsuit against the administrative board, Chief Judge Janet DiFiore and Chief Administrative Judge Lawrence Marks. The plaintiffs include Justice Ellen Gesmer, Justice David Friedman, Justice Sheri S. Roman and Justice John M. Leventhal.

The administrative board of the court system decided to terminate the most experienced judges in the state and has signaled its intent to fill those positions with younger and less-experienced judges, attorneys for the plaintiffs said in the complaint.

“While we will be responding accordingly in Court, it is unfortunate that the idea of shared sacrifice is too much to be considered even in this

seminal moment that we all are living through,” a spokesman for the court system said.

Chief Administrative Judge Marks issued a memo to administrative judges in September saying the court system was facing a \$300 million budget cut and needed to find ways to fill that hole. In light of those budget challenges, the administrative board opted to approve only a handful of certification applications from judges seeking to continue work beyond the age of 70, saving the court system \$55 million over the next two years, the memo said.

This decision is “extremely difficult but necessary,” Chief Administrative Judge Marks wrote in the memo. “This will far better help enable the court system to avoid layoffs or greatly reduce the number of layoffs should that extreme measure become unavoidable.”

The state constitution and state statute doesn’t permit the administrative board of the court system to deny the certification of judges because of budget cuts, attorneys for the plaintiffs said in the lawsuit. Both the state constitution and state statute say judges can serve beyond the age of 70 if they have the mental and physical capacity to continue the work and if their services are necessary to expedite the business of the court system, the complaint said.

The administrative board neither evaluated the mental and physical capacities of the judges applying for certification nor reached a determination that the services of these judges were no longer necessary, attorneys for the plaintiffs said in the lawsuit.

The state has also yet to finalize the \$300 million budget cut for the courts and may not follow through with it, said Y. David Scharf, an attorney for the plaintiffs.

Monumental Task: Statue of Civil War General Gets a Bath



RESTORATION: A worker cleaned the statue of William Tecumseh Sherman in Manhattan's Grand Army Plaza, at the southeast corner of Central Park, on Thursday after an earlier attempt was made to vandalize the sculpture created by Augustus Saint-Gaudens.

Cases Rise on Staten Island

By EMMA TUCKER

Parts of Staten Island are seeing a rise in Covid-19 cases, New York City Mayor Bill de Blasio said Thursday, prompting health officials to ramp up contact-tracing efforts and set up additional testing sites in the borough.

In two ZIP Codes on Staten Island, 10305 and 10314, the rate of people testing positive for Covid-19 is more than 3%, the mayor said at a news conference. “We see the kind of increase that makes us concerned,” said Mr. de Blasio.

For now, the upticks won’t lead to lockdown restrictions like ones implemented last month in hot spots in Brooklyn and Queens, he said. But the city will do intensive outreach, testing and mask distributions in the two ZIP Codes, the

mayor said, noting that a similar response previously worked to quell small increases in neighborhoods in Brooklyn, the Bronx and southeast Queens.

City health officials said there hasn’t been a single event or common exposure that could explain the rise in cases but they voiced similar concerns about mask fatigue and colder weather driving gatherings indoors.

“As people continue to try to maintain these measures, they get tired, they become a little bit more relaxed about wearing masks in certain places and about maintaining that distance,” said Jay Varma, the mayor’s senior adviser for public health.

New York City Councilman Joseph Borelli, a Staten Island Republican, said there has been little information about

possible events or activities in the two ZIP Codes that could explain the increase.

“If you have 50 cases in a ZIP Code, what are they finding?” Mr. Borelli said of the contact-tracing efforts in the area. “Did everyone go to a church, a restaurant, a graduation party? These are the kinds of questions we assumed contact tracing would be answering and they’re not.”

Ted Long, head of the city’s Test and Trace Corps, said the team has expanded its testing system to prepare for any rise in virus cases across the city. The initiative will deploy additional staff members to conduct community outreach, and roll out additional testing sites and contact tracing. The team will also offer services such as free food delivery, free hotel stays and a dog-walking service to

those who test positive for Covid-19, Dr. Long said.

“When we do act quickly and bring to bear our testing resources as well as community engagement, we can try to prevent those more sustained increases that we’ve seen in parts of Brooklyn and Queens,” said Dave Chokshi, commissioner of the New York City Department of Health and Mental Hygiene.

Meanwhile, the seven-day average positivity rate for Covid-19 tests in the city hit 1.81%, a slight decrease compared with the 1.92% rate last week. Mr. de Blasio said it is a “level that we can work with but a level we want to push down.”

The seven-day average positivity rate had hovered between 1.5% and 1.7% from the end of September to mid-October.

Where do we go from here?

Where do we go from here?

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THE WALL STREET JOURNAL.

ELECTION 2020

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ARTS IN REVIEW



Eva Green and Zélie Boulant, left; Ms. Green, below

FILM REVIEW | JOE MORGENSTERN

‘Proxima’: Laws of Emotion

The struggles of a mother who’s about to leave her 7-year-old daughter to go to space

IN “**PROXIMA**,” an unusually affecting film by Alice Winocour, Eva Green is an astronaut in conflict. As she prepares to slip the surly bonds of earth for a one-year mission aboard the International Space Station, she’s desperate to strengthen the precious bonds between herself and her 7-year-old daughter. However much this appears at the outset to be a space adventure, it’s about a mother’s love, plus a case of mutual separation anxiety prompted by the prospect of a really big separation. (The film is available on digital platforms and VOD.)

The Space Age has produced a number of female astronauts with young, even infant, daughters or sons; they’re celebrated in a photo montage during the end credits. And Netflix recently brought forth “Away,” a combination space opera and soap opera that interweaves high drama aboard a mission to Mars with concerns about family

life back on the home planet. Here the focus is on a single adventurer and the constellation of emotions she and her child experience in the anxious weeks before blastoff. Set in Germany and Russia, this multilingual feature (in English as well as subtitled French, German and Russian) does justice to the technology, yet operates most powerfully in the precincts of two hearts.

Ms. Green is Sarah, a French engineer called in at the last minute to replace a more experienced crew member who, for reasons that aren’t specified, couldn’t make the flight. That means she must undergo an astronaut’s version of basic training at a European space center in Cologne. I wish we knew a bit more about the specifics of Sarah’s responsibilities on the mission, but her training is interesting, and so crushingly arduous that it’s all she can do to spend any time of reasonable quality with her daughter. (With an eye

to long-term child care while she’s in orbit, Sarah turns to her astrophysicist husband, Thomas, from whom she’s separated; he’s played by Lars Eidinger.)

In case you can’t place Ms. Green, which is another way of saying in case you haven’t seen the 2006 James Bond extravaganza “Casino Royale,” she was unforgettable in that film as Vesper Lynd, the lissome British Treasury official who ends up trapped in a submerged elevator in Venice. Her performance here is appealing too, and finds a lovely counterpart in Zélie Boulant, who, as Sarah’s daughter, Stella, has a cat named Laika—the name of the space dog that orbited the earth and came to



a bad end aboard the Soviet Union’s Sputnik 2 in 1957—and plenty of well-grounded anxiety about her mother’s safety. “Mama,” Stella asks at the beginning of the film, “will you die before me?”

In one sense sweet, touchingly

tender Stella is the protagonist of the screenplay, which the director wrote with Jean-Stéphane Bron. (Georges Lechaptois was the cinematographer. The great Ryuichi Sakamoto did the score.) Sarah is there to solve problems, one after another: learning what she needs to know for the mission; finding the physical and spiritual strength to complete her training; summoning up the courage to leave the daughter she might never see again. (The element of danger in space travel isn’t stressed but always present.) But it’s Stella who must change and grow, and grow she does in the course of watching Sarah train, then visiting her mother at Star City, the Russian space complex, in time for the launch. In one nice touch before she leaves Germany for Russia, Stella uses an astronomical telescope, a treasured gift from her mother, to watch two brothers she fancies, neighbors her own age, chase each other around a grassy area below her balcony.

“Proxima”—the name of the mission, and a star—isn’t perfect. An American astronaut, Mike Shannon (Matt Dillon), is written coarsely as a male chauvinist clod, though he does come around, for no apparent reason, to a state of partial grace as the training wears on. (By contrast, Aleksey Fateev is charming as a soulful Russian astronaut, Anton Ocheivsky, who recites a beautiful Osip Mandelstam

poem by the light of a fire in a forest.) Although Stella is initially portrayed as a child with special needs—she announces with alacrity to her space-center chaperone that she is “dyslexic, dyscalculic and dysorthographic”—there’s no trace of dyslexia when she reads aloud the emails her mother sends her. And an ill-advised plot twist toward the end has Sarah doing something in the name of motherly love that’s not only foolish but selfish, even dangerous. Yet the

mother-daughter relationship at the film’s dynamic core gives a strong sense of Stella’s future. Everything we need to know about the young woman she’ll become is writ subtly but clearly on her face as she watches the rocket go off. She is her mother’s daughter.

TELEVISION REVIEW | JOHN ANDERSON

Battle of the New Recruits

THE INITIAL PUBLIC OFFERING of HBO’s “Industry” will likely be met with amused skepticism by those who actually work at a “pre-eminent financial services organization” like the show’s fictional Pierpoint & Co. For the rest of us, it won’t matter: An often exhilarating, eight-part drama centered in the City of London, the series presents a world that’s thoroughly believable, frequently appalling and fully enthralling. This is, in large part, because it doesn’t care what you know: Viewers are dropped into a maelstrom of numbers, jargon and deals and as a result will be swept up, and away.

The work of first-timer show creators Mickey Down and Konrad Kay, “Industry” is staffed with enough complicated characters to promote perpetual narrative motion. But for all its novelty—there are not, after all, that many shows about brokers, traders, bankers, clients, et al.—the series is structured on the most traditional of frameworks. It could be the military, it could be a sports team, it could be the Hogwarts School of Witchcraft and Wizardry: When diverse characters are thrust together with only one thing in common, the out-

come is anxiety, drama and interpersonal warfare. The mission at Pierpoint is making money. The obstacles are frequently human.

Diversity is a dominant theme of “Industry,” the title of which may be a gag—what does Pierpoint make, after all, besides deals? The industry of “Industry” is the quality demanded of the 20-odd young people whom the company has brought in, as is its custom, to compete for full-time jobs amid the blast furnace of its sales floor. Pierpoint is a pure kind of meritocracy: If your ideas succeed at making money, the reasons other people hate you will eventually be overlooked. But it’s a grueling, nerve-grawing grind—one character will be dead on the men’s room floor before the end of episode 1. It promotes an off-hours lifestyle of hedonistic abandon among its scurrying



Myha’la Herrold in ‘Industry’

drones. But it also rewards initiative, intelligence and pluck, all the virtues exhibited by Harper Stern (Myha’la Herrold), the lone American intern, one of the few Black people in sight and a young woman whose backstory seems poised to bite her in the curriculum vitae.

She has been paired, as have all the new recruits, with an older, seasoned Pierpoint vet—in Harper’s case, Eric Tao (the charismatic Ken Leung). The pairing

doesn’t seem random: Eric is not only a supervisor of color (and one with an American accent), but he’s also sympathetic to Harper’s various perceived handicaps at such a traditional bastion of pin-striped Britishness—her sex, her nationality and her state-college education at a place where the Oxbridgean snobbery is palpable.

There are many kinds of challenges at Pierpoint: Yasmin (Marisa Abela) is not only sweet

but rich, so no one takes her seriously. Robert (Harry Lawtey) “talks like a miner,” as one old-school boy puts it, so how’s he supposed to get ahead? Robert’s roommate and pal from “uni,” Gus (David Jonsson), is not just Black and gay but reflexively smarmy. He’s also in love with Theo (Will Tudor), who has a girlfriend. No one among them exhibits any control over their libido or their drug appetites, at least through the first half of season 1 (only four episodes of which were available for review). What a viewer will be waiting to see, if not eagerly, is who falls off the cliff and why.

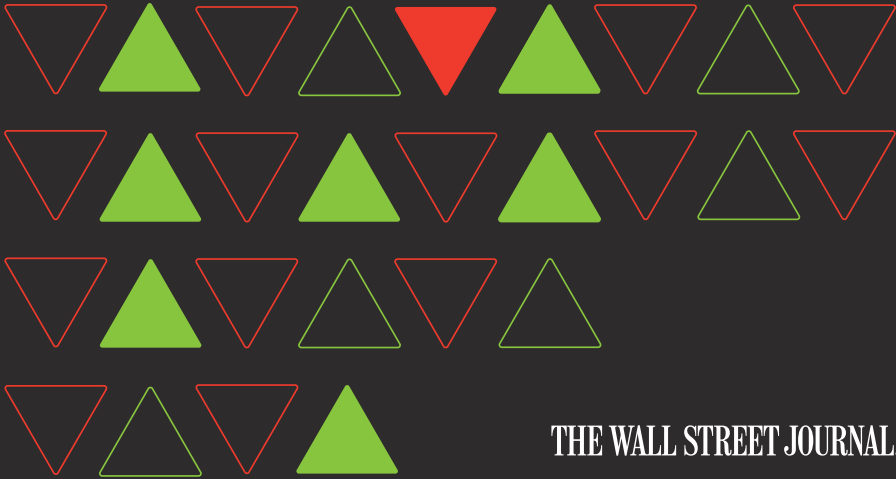
The first episode is directed by Lena Dunham (“Girls”), one of the myriad executive producers on “Industry,” and seldom has a show shifted stylistic gears so dramatically between its pilot and its subsequent installments (directed by Tinge Krishnan, Ed Lilly and Mary Nighy). Ms. Dunham’s approach is kaleidoscopic, even frenetic, in how it establishes not just the atmosphere of Pierpoint but the mental state of its new arrivals. It works, and very well, especially since the more conventional storytelling about characters and deals is then undertaken in a more sober fashion. Ms. Dunham’s introductory episode is electric. Much of that energy is sustained and, with luck, will be through what will undoubtedly be subsequent seasons of the show.

Industry
Begins Monday, 10 p.m., HBO

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THE WALL STREET JOURNAL.

ARTS IN REVIEW

THEATER REVIEW | TERRY TEACHOUT

Trying to Laugh Alone



Johnny Moreno, Jomar Tagatac and Bobak Bakhtiari in ‘Art’

I’VE BEEN WONDERING how well stage comedies will play in front of socially distanced audiences. Is it possible for laughter to spread contagiously (no pun intended) through a small crowd whose members are seated six feet apart? Or is a “critical mass” of playgoers necessary in order to make the leap from isolated titters to collective guffaws? While these are still good questions, a more immediate concern has emerged as a growing number of regional companies start to stream theatrical webcasts: How effective can a stage comedy be when performed without an audience? Having now seen two such webcasts, both of them taped in empty theaters, I still don’t know for sure.

San Francisco Playhouse, a company new to me, is currently testing the efficaciousness of online comedy with Yasmina Reza’s “Art.” Like Ms. Reza’s “God of Carnage,” it’s a serious small-cast comedy (three characters) of bad middle-class manners that hit big on Broadway, where it opened in 1998 and ran for 600 performances. Directed by Bill English, the company’s artistic director, on a simple but elegant set of his own design, it tells the tale of Serge (Johnny Moreno), an art snob who spends \$200,000 on a Minimalist painting that his old friend Marc (Jomar Tagatac) curtly dismisses as “a piece of white shit.” Serge promptly fires back, calling Marc “one of those new-style intellectuals who are not only enemies to modernism, but seem to take some sort of incomprehensible pride in running it down.” Yvan (Bobak Bakhtiari) is a mutual friend who gets caught in the crossfire, which triggers an evening-long wrangle that leads in due course to fisticuffs.

I’m struck by the fact that Mr. English felt obliged in his program note to explain why he chose to produce “a play written [about] three white men and their petty

upper-middle-class quarrel over a work of art.” His answer is that “Art” passes the test of wokeness because it confronts the viewer with “the lamentable human capacity to be divided into political camps in which we cannot understand, empathize, or communicate with those on the other side. It feels emblematic of the tragic sundering of the American civilization.” Well, um...maybe, though I don’t know why he saw any need to apologize for mounting a smart, funny play that in point of fact has nothing whatsoever to do with Donald Trump. Diversion, after all,

is a perfectly legitimate end of theater, never more so than in times like these, and “Art” is an exceedingly diverting play.

While this production is a trifle rough around the edges, the cast is well chosen and Mr. English’s staging serves the play equally well. Not so the absence of an audience, which is a problem, if never a serious one. Not only was my own response to the production muted by the fact that I watched it alone on a laptop, but I have a feeling that an audience would have helped the three actors tighten up their comic timing. Still, it’s more than worth

seeing, even if you fail to get around to laughing out loud.

Bernard Slade’s “Same Time, Next Year” was an even bigger hit than “Art”: It opened on Broadway in 1975, ran for 1,453 performances, then was turned into a popular movie. It is now a regional-theater staple, and North Coast Repertory Theatre, a very fine troupe whose headquarters is a suburban shopping center not far from San Diego, is presenting it as a fully-staged webcast taped on its main stage.

Directed by David Ellenstein, the company’s artistic director,

“Same Time, Next Year” is a lightweight rom-com about George and Doris (Bruce Turk and Katie MacNichol), who are married—but not to one another—and who meet once a year for an adulterous tryst. In the course of the six meetings portrayed in the play, which begin in 1951 and end in 1975, we see them weather the great social changes of the ’60s and ’70s, and we also watch their friendship deepen.

“Same Time, Next Year” has long since become a period piece. Even its best laugh lines smack of Neil Simon’s old-fashioned one-two-get-ready-for-the-joke style: “I have a friend who says that life is saying ‘yes.’ The most I’ve ever been able to manage is ‘maybe.’” Such jokes land much harder when there are people present to laugh at them. In addition, the notion of annual assignations, which was daringly risqué in 1975, is now more sentimental than anything else, and it’s hard to imagine anyone under the age of 50 getting much out of a comedy littered with references to Chet Huntley and Adlai Stevenson. That said, Mr. Turk and Ms. MacNichol (who are married in real life) play their parts broadly but engagingly, and if you’re old enough to know what they’re talking about, the results have considerable charm.

Art
San Francisco Playhouse (\$15-\$100), sfplayhouse.org, 415-677-9596, closes Nov. 7

Same Time, Next Year
North Coast Repertory Theatre, Solana Beach, Calif. (\$35-\$54), northcoastrep.org, 858-481-1055, closes Nov. 15

Mr. Teachout, the Journal’s drama critic, is the author of “Satchmo at the Waldorf.” Write to him at tteachout@wsj.com.

JESSICA PALOPOLI

FILM REVIEW | JOE MORGENSTERN

Drama Gone Missing

THE TRAILER on the film’s website tells you all you need to know and then some about “Let Him Go,” a screen version of a Larry Watson novel starring Kevin Costner and Diane Lane. It gives away so much of the plot, while conveying the alternately glum and garish tone, that you could check out the trailer, if you felt an urgent need, and skip the movie, which is showing in select theaters. Still, here’s some supplementary info about the production, and why it is what it is, which isn’t much.

Mr. Costner’s George Blackledge, a retired sheriff, and his wife, Ms. Lane’s Margaret, are ranchers in rural mid-20th-century Montana. After the death of their son, they go off on a journey to find and rescue their 3-year-old grandson, who’s been taken to North Dakota by his mother—their son’s widow—and her abusive second husband. The wisdom of the

grandparents’ mission is questionable, at the least. The abusive husband turns out to be one of many bad seeds of a really terrible family, the notoriously evil Weboy clan, and who knows how the little boy can be wrested from their grip? But Margaret is obsessed with bringing the child back, so her reluctant but devoted helpmate realizes he must accompany her.

The stuff of serious drama lurks here but escapes exploration. There’s nothing but a token discussion between George and Margaret about whether it’s right or wrong to do what they’re planning to do on fairly sketchy evidence, or about the nature of Margaret’s obsession. There’s little sense of deep crosscurrents in the couple’s long marriage; occasionally they’re demonstrably loving, but mostly he’s a grump, with nothing in between. The pace is deadly slow, the style old-fashioned and the acting de-

void of spontaneity. These are skilled actors, but the writing is so threadbare—an important character from the novel has been eliminated—and the direction (by Thomas Bezucha, working from his own adaptation) is so lacking in nuance that genuine dramatic energy gets lost by the wayside during the road trip to North Dakota, where intense violence, the only energy the film seems to be interested in generating, bursts forth in a consuming climax.

The most interesting piece of casting is Lesley Manville as Blanche, the Weboy clan’s vile matriarch. Ms. Manville, in case you’re not familiar with her illustrious body of work, was Cyril, the

fiercely protective sister of Daniel Day-Lewis’s fashion designer in Paul Thomas Anderson’s “Phantom Thread,” and the long-suffering wife of Jim Broadbent’s W.S. Gilbert in “Topsy-Turvy,” Mike Leigh’s peerless biopic about Gilbert and Sullivan. Blanche will not go down

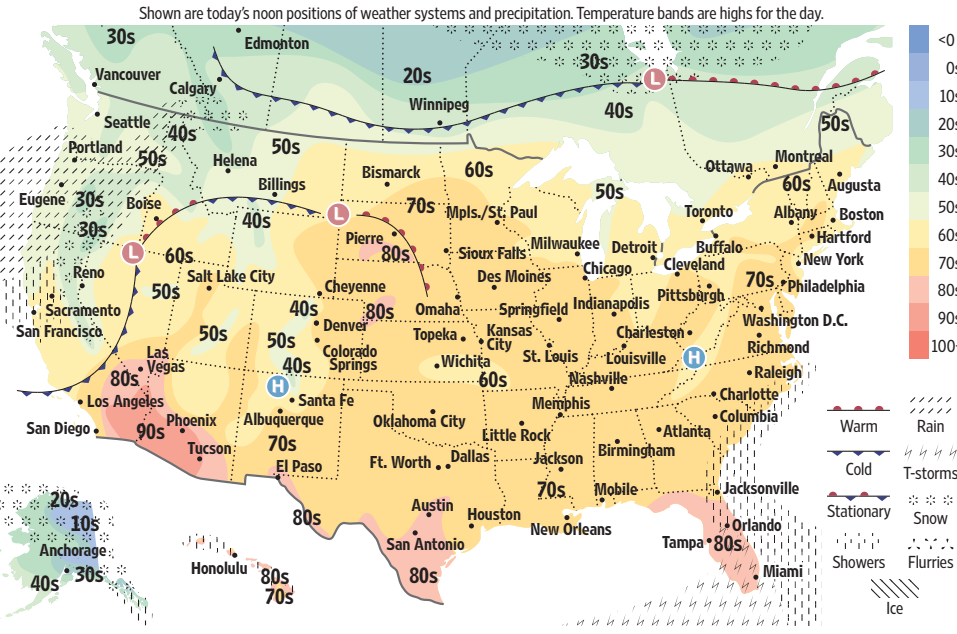
as one of Ms. Manville’s great roles, though not for any lack of commitment on her part. Asked to threaten, shriek, complain, lament and soliloquize at tedious length, she gives it her all, but it’s both too much and too little to save this dreary film from itself.



Diane Lane and Kevin Costner star in Thomas Bezucha’s ‘Let Him Go.’

FOCUS FEATURES

Weather



U.S. Forecasts

s., sunny; p.c., partly cloudy; c., cloudy; sh., showers; t., storms; r., rain; sf., snow flurries; sn., snow; l., ice

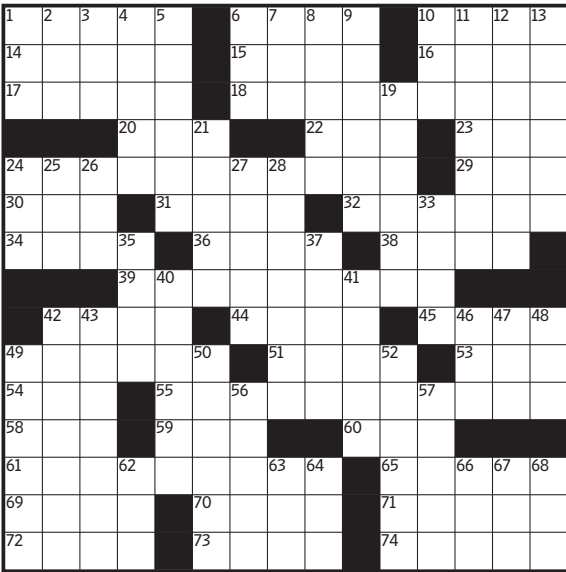
City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	26	21	pc	28	26	sn
Atlanta	73	60	pc	73	63	pc
Austin	80	51	pc	81	57	s
Baltimore	72	45	s	73	49	s
Boise	69	38	c	54	33	pc
Boston	66	49	pc	68	49	pc
Burlington	64	49	pc	62	47	pc
Charlotte	74	55	pc	73	58	c
Chicago	72	52	s	72	53	s
Cleveland	71	48	s	71	53	s
Dallas	75	54	s	75	58	s
Denver	74	50	pc	73	48	s
Detroit	67	46	s	69	46	s
Honolulu	86	74	pc	85	74	pc
Houston	79	57	s	78	61	pc
Indianapolis	70	45	s	70	51	s
Kansas City	72	54	s	73	56	pc
Las Vegas	86	56	pc	61	45	pc
Little Rock	72	52	s	71	56	pc
Los Angeles	75	55	pc	68	48	r
Miami	83	78	t	81	76	r
Minneapolis	68	53	pc	66	53	s
Portland, Ore.	71	57	s	69	56	pc
San Francisco	73	49	s	76	55	s
Seattle	76	66	s	72	69	t
San Diego	69	55	s	72	55	s
San Jose	72	50	s	72	54	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	53	37	pc	56	43	s
Athens	67	58	pc	66	59	s
Baghdad	84	59	pc	83	61	pc
Bangkok	90	78	pc	83	77	c
Beijing	65	41	pc	65	33	s
Berlin	54	42	pc	54	38	pc
Brussels	52	39	s	61	47	s
Buenos Aires	73	66	pc	73	65	s
Dubai	92	72	pc	90	74	s
Dublin	52	43	pc	53	50	c
Edinburgh	54	37	pc	49	41	pc

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	51	34	s	53	37	s
Geneva	57	43	s	60	48	s
Havana	82	71	sh	82	71	r
Hong Kong	82	73	pc	83	72	pc
Istanbul	62	53	c	61	55	pc
Jakarta	90	77	t	91	77	t
Jerusalem	64	54	pc	66	56	pc
Johannesburg	79	60	pc	86	65	pc
London	53	41	pc	59	50	c
Madrid	68	53	r	60	46	sh
Manila	89	76	t	88	77	c
Melbourne	61	50	pc	60	45	c
Mexico City	72	46	pc	74	48	pc
Milan	62	44	pc	62	45	s
Moscow	45	39	pc	49	43	pc
Mumbai	95	76	pc	94	77	pc
Paris	54	45	s	63	53	pc
Rio de Janeiro	73	66	pc	76	68	pc
Riyadh	90	65	pc	87	65	pc
Rome	68	49	s	67	49	s
San Juan	86	76	pc	86	76	sh
Seoul	62	53	c	64	40	pc
Shanghai	77	59	pc	74	56	pc
Singapore	87	77	t	85	77	t
Sydney	67	56	pc	68	57	pc
Taipei City	88	79	pc	90	72	r
Tokyo	65	58	pc	70	61	pc
Toronto	63	49	pc	66	45	pc
Vancouver	49	37	s	46	35	pc
Warsaw	50	45	c	52	39	pc
Zurich	52	38	pc	54	41	s

The WSJ Daily Crossword | Edited by Mike Shenk



FRESH START | By Matt Gaffney

The answer to this week’s contest crossword is a six-letter noun.

Across

1 Stalks in a field

6 Verbalized

10 Letter before Bravo

14 Popular perennial

15 Pilot or Passport

16 One of twenty, for most

17 “Boardwalk Empire” protagonist

18 Approximately zero (7)

20 Atlantic city, casually

22 Scuba tankful

23 Tic ____ (mint brand)

24 Noted Pulitzer winner of 2018 (6)

29 Type

30 Leave floored

31 “I follow him to serve my turn upon him” speaker

32 Some French vowels

34 Abound

36 Rattle off

38 PlayStation creator

39 What entrepreneurs seek to do (4)

42 Comedian Maron

44 Verve

45 1990s “SNL” castmate of Chris, David and Rob

49 Ancient Egyptian ruler

51 Events that excite CEOs

53 Boston’s Bobby

54 Historic period

55 They’re woolly but not wild (5)

58 Agnes in “Agnes of God,” e.g.

59 Charged particle

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Nov. 8. A solver selected at random will win a WSJ mug. Last week’s winner: John Wallace, Chesapeake, VA. Complete contest rules at [WSJ.com/Puzzles](https://www.wsj.com/puzzles). (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

PUZZLE CONTEST

- 60 In favor of
- 61 Failed to fluster (5)
- 65 Bush follower
- 69 Three-part treat
- 70 Crushed, as an interview
- 71 Cheapskate
- 72 Pills and such, for short
- 73 Traveler’s options: Abbr.
- 74 Part of a process
- Down**
- 1 Letter before 63-Down
- 2 Subject of Attila
- 3 Green prefix
- 4 Gulf of Guinea city
- 5 Sesame spread
- 6 Klutz
- 7 Wish you could undo
- 8 Fighting
- 9 Skin softener
- 10 Journalist Curry
- 11 Vientiane native
- 12 Cry of relief
- 13 Smart ____ (wiseacres)
- 19 Self-doubting question
- 21 Counting everyone
- 24 Snitch
- 25 Have a debt of gratitude to
- 26 Once called
- 27 Like yoga instructors
- 28 “Twilight” role
- 33 7UP, e.g.
- 35 Product creators: Abbr.
- 37 Philo, Sling or Hulu
- 40 Clinches the win
- 41 Switch choices
- 42 Cruise agent
- 43 Changed the language in
- 46 Dopey colleague
- 47 Spielberg title word
- 48 “The Marvelous Mrs. Maisel”
- 49 Lacking logic
- 50 Rosh Hashanah horn
- 52 Cutters’ kin
- 56 Put on the books
- 57 Travel around
- 62 Rejections
- 63 Letter after 1-Down
- 64 Crew at a mag
- 66 Sometimes going by
- 67 Ryan of film
- 68 Exist

Previous Puzzle’s Solution



SPORTS

Virus Alters College Football Title Chase

With Trevor Lawrence sidelined due to Covid-19, freshman D.J. Uiagalelei gets the start for Clemson against Notre Dame

By LAINE HIGGINS

As the coronavirus pandemic threatened the 2020 college football season in August, star Clemson quarterback Trevor Lawrence faced a choice. He could watch his final collegiate season disintegrate and idle until the worst team in the National Football League drafted him. Or he could throw his weight behind efforts to get the season under way. Lawrence chose the latter, tweeting “We Want to Play” and sparking a grass-roots movement among players that was a major factor in getting the season off the ground.

But in a turn of events only possible in this pandemic season, Lawrence is again having an unexpected impact on the 2020 season—because he is sidelined after testing positive for Covid-19.

Lawrence already missed last week’s game against Boston College, a game that Clemson needed a late rally to win. He returned to practice this week, but will watch from the sidelines on Saturday for a road game against No. 4 Notre Dame in a game with big implications for the College Football Playoff race. Lawrence tested positive for Covid-19 nine days before kickoff; ACC return-to-play protocols related to cardiac screening will keep him out for at least 10 days.

The disruption to Clemson’s title quest is just the latest in a college football season full of them. And Saturday’s slate of games—highlighted by the return of Pac-12 football and the Tigers’ game against Notre Dame—serves as a tidy microcosm of this topsy-turvy pandemic season, in which a microscopic airborne virus is controlling the path to post-season glory.

This reality is well understood by both Clemson and Notre Dame, programs who alternately dealt with severe outbreaks. Shortly after football players began returning to campus in June, Clemson reported 28 positive cases of Covid-19 in its ath-



D.J. Uiagalelei, above, will start at quarterback for Clemson, with Trevor Lawrence out.

letic department. (The university didn’t specify how many of these were tied to the football team.) Nevertheless, workouts plugged along and the Tigers saw another 32 cases by the end of August. Notre Dame fared better over

the summer months, in large part because football players were put up in hotel rooms off campus, with just four cases reported before classes began on Aug. 10. Trouble started when athletes de-camped for dorms and began mingling with their undergraduate peers. The football team was spared when the university locked down for two weeks in August after an increase in coronavirus cases but had to pause workouts for six days and reschedule its Sept. 26 game against Wake Forest when 18 players tested positive in mid-September.

“I know how to get individuals back after an injury or a guy who’s been away from the game for a couple of weeks and they’ve done pretty good,” said Notre Dame coach Brian Kelly in early October. “The difference here is we’ve got to bring the whole team back.” Clemson’s season had unfolded without postponements or too much damage to its depth chart. That changed when Lawrence tested positive on Oct. 28. “We look at it as an injury,” explained Clemson coach Dabo Swinney of his quarterback’s diagnosis. Lawrence experienced mild symptoms initially and was

able to rejoin practices after seven days in quarantine. “We certainly embraced and knew there would be some challenges to have to navigate this year.” With Lawrence sidelined, the Tigers have turned to freshman and former five-star recruit D.J. Uiagalelei, who threw for 342 yards and two touchdowns in his first start against Boston College. But the upstart quarterback also bobbled a handoff three yards from the end zone that Boston College scooped up and returned 97 yards for a touchdown that put Clemson down 21-7—the Tigers’ largest regular-season deficit since 2014. Clemson is fortunate because of its deep roster, which has been bolstered by top recruiting classes for much of the last decade. There’s not much change in the quality of play when a star athlete goes down. “I’ll take their fourth “Sam” [outside] linebacker. I’ll take their fifth defensive tackle. I’ll take their fourth defensive end. They’re in pretty good shape,” said Kelly on Monday. “Now I do not wish Covid on them at all and I do not wish them any injuries, but they’re going to put out a really good product with the other

players that they have.” Not every team can fall back on that level of depth, particularly in this pandemic season. The situation is more dire in the quarterback room in Wisconsin. Veteran starter Jack Coan is out with an ankle injury sustained in pre-season camp. His backups—red-shirt freshman Graham Mertz and third-stringer Chase Wolf—have tested positive for Covid-19 and aren’t eligible to play games until Nov. 14. The rest of the team’s passers are in isolation. Quarterback attrition is now the least of the Badgers problems, though. An outbreak following the season opener on Oct. 24 has seen 15 athletes and 12 staffers test positive. Athletic director Barry Alvarez initially said the earliest the football team could return to practice would be Nov. 5, but as new cases continued appearing throughout the off week, Wisconsin opted to extend its workout pause indefinitely and cancel its game against Purdue on Nov. 7.

Wisconsin is a favorite to play for the Big Ten championship, but the second consecutive cancellation puts the team’s entire season in jeopardy. Should the Badgers have to cancel an additional game they would fall below the conference’s minimum game threshold and be ineligible to compete for the title game—even if they run the table. A Southeastern Conference championship berth will also be at stake this weekend in Jacksonville, Fla., where No. 8 Florida and No. 5 Georgia will meet at the “World’s Largest Outdoor Cocktail Party.” The 2020 rendition will be a sober affair: tailgating and much of the ancillary hula-baloo, such as “RV City,” is verboten. Capacity in TIAA Bank Field will be capped at about 18,000.

With both teams entering the game with one loss, the winner will likely have the inside track to playing No. 2 Alabama for the SEC championship. The more immediate opponent, however, is coronavirus: Florida is just 11 days removed from a 13-day hiatus in practices that followed 26 players and 3 coaches, including head coach Dan Mullen, testing positive. Georgia won’t disclose its testing data and appears to be dealing with more legitimate injuries than viral infections.

JASON GAY

Nascar Star on Teaming With Michael Jordan

Denny Hamlin is a perennial Nascar star—a three-time Daytona 500 winner who captured seven races during this pandemic-im-

pacted 2020 season, and will be one of four drivers with a shot at the Cup championship finale Sunday in Phoenix. But Hamlin’s biggest move may have happened off the track: Next year he and NBA legend Michael Jordan will partner on a new Nascar team, fronted by Bubba Wallace, the up-and-coming driver who successfully appealed to Nascar to ban Confederate flags at its events. I spoke to Hamlin earlier this week. This interview has been edited and condensed for clarity.

You won the Daytona 500 in February. The next month, the season went sideways—a shutdown, then a return with no fans, then limited fans. What’s it been like?

It’s been different for sure. It’s certainly a different feel when you go to a racetrack and you just show up, stand next to the car, get in and go home. It’s certainly different than our normal routine of entertaining guests and sponsors and fans on race day. That’s what makes our sport so great—the fan access, the sponsor access right before the event starts. Inside the car, while we’re racing? There’s no difference. We see them, but we can’t really hear or anything like that. It’s business as usual once the race starts. But certainly it’s got a very...not *somber*, just a it’s *quiet* feeling, which I’m guessing [is happening] in all sports.

Is it possible the quieter, more sterile environment helps competitively? Because we’ve heard from athletes in other sports saying they’ve been more focused.

You’re going to keep driving for FedEx/Joe Gibbs in 2021, but let’s talk about your new team with Michael Jordan.

This [team] is something that me and Michael have spitballed around for a few years. It was a perfect time for both of us. We spent two weeks kind of vetting it all out, making some quick decisions, and saying, “You know what? This is it. Let’s go for it.” The long and the short of it is I wasn’t going to be able to do it by myself. I play golf with Michael every now and then, and said, “Hey, an opportunity might be available for us to do this.” He says, “Well, I’m in. If you’re going to own, and you want a partner, I’m in.” He’s going to lean on me being the insider of racing to guide us in the direction that we need to go to win, and he’s going to be the financial support behind that.

People, of course, mainly know Jordan as the basketball star, now he’s Charlotte Hornets owner. Can you describe his Nascar fan side?

When I first met Michael—he had to be 12 years ago—he stopped me at a Hornets game and talked to me about a race that had happened two weeks [before]. I’m like, “Wait a minute, you watch Nascar?” He was like, “Man, I grew up watching Nascar and my dad used to take me to the Darlington Southern 500 when I was a kid.” He says, “I watch every Sunday and I never miss. It’s something



Denny Hamlin, above, and NBA legend Michael Jordan will partner on a new Nascar team, fronted by Bubba Wallace.

that interests me.” So, ultimately, we start kicking around, “Well, it’d be great for me to be a Jordan brand athlete. Hey, you can do my shoes, my suit, and do an apparel thing.” He’s like, “Yeah, I’m in.” Then next thing you know, I think probably five or six years ago, I asked them to sponsor me in a truck race at Martinsville. He was in for that, no questions asked. Then I’m like, “Where could this go one day?”

Obviously there’s a big financial commitment when it comes to starting a Cup team. When we threw all the numbers out there to say, OK, if we want to build a championship-caliber team, this is what we’re going to have to do, he was in.

Your driver will be Bubba Wallace, who had an eventful season in 2020, one that saw him call on Nascar to ban the Confederate flag at races, which it ended up doing rather quickly. What did you think of that moment?

I think it took a lot of guts. Not everyone was going to see it the way that he saw it, but I think he saw it the right way. He was an

advocate [to make the sport] more inclusive and make it to where people are comfortable when they go to a Nascar race. I think it promoted a lot of positive change within our sport.

Then there was a major moment at Talladega where Nascar found what they believed at the time was a noose in Wallace’s garage. That led to a real show of solidarity for Bubba among fellow drivers. Nascar and the FBI concluded that the noose predated Wallace’s team being there, but what did that whole episode feel like from inside?

We have a group meet for all the drivers. The support was pouring out for Bubba. A lot of it is showing solidarity and showing the support for him. Obviously, when I saw a picture [of the rope], I certainly would have been alarmed just like anybody else would. I think Nascar reacted quickly and they called the professionals to come investigate it. There was a lot going on in our country during that time and it was a very sensitive issue. Thankfully the best-case scenario happened, and it was not directed at

Bubba. But, to me, it was a defining moment for our sport to really come together.

So you didn’t look at that photograph of the rope and say, “That’s a standard garage pull?” It struck you as concerning?

Yeah. I mean, to me, it was tied in a very deliberate fashion. But listen, I’ve worked in garages my whole life. I’ve seen loops as garage door pull-downs before, but I’ve actually never seen one tied like that before. That was a first for me.

What’s left for you to accomplish on the racetrack?

I want to win this weekend. That’s my goal. I want to win this weekend. That’s the biggest goal that I could accomplish is winning one more race this year.

Last question. How are you as a parallel parker?

Oh, I’m the best. To me, it’s never a three-point turn. It’s always a two-point. You pull up, you pull back and I never have to pull back forward again. I make it perfect.

OPINION

2020’s Biggest Election Losers



POTOMAC WATCH
By Kimberly A. Strassel

Nancy Pelosi and Minority Leader Chuck Schumer, the public faces of the unhinged left.

The Democratic Party is split, and if Joe Biden prevails, it will be because he claims (accurately or not) to represent its moderate wing. He spent his campaign hiding from his party’s progressive agenda, and toward the end even disavowed parts of it. Mr. Biden’s greatest selling point was always his promise of a return to normalcy.

Schumer remains minority leader, and Pelosi will lead a thinner majority.

This was a hit on his own party. If Washington has been a circus these past four years, it is in substantial part due to congressional Democrats. Americans elect lawmakers to pass budgets, confirm judges, develop considered legislation. The Pelosi-Schumer era has been day after painful day of faux scandals, gotcha hearings, breathtaking accusations, progressive-fantasy bills and promises to dismantle long-standing institutions. It’s theater, not governance.

The press would normally check such behavior. Instead, Democrats and their media al-

lies allowed their disdain for Donald Trump to lull them into believing they’d *benefit*. The liberal FiveThirtyEight election-analysis outfit in July mused on Twitter: “Could Democrats pick up 13 seats in the Senate?”—an estimate that now looks to be off by a mere 12. The accompanying video envisioned Democrats presiding over a “filibuster-proof majority.”

Establishment media outfits, polling companies and crystal-ball types swaggered into the election predicting the great blue wave would hand Mrs. Pelosi up to 15 more House seats. Instead she was handed her hat. Republicans have picked up at least six net seats in the House and could net up to a dozen. They topped a longstanding Democratic committee chairman (Collin Peterson of Minnesota), and picked off several of Mrs. Pelosi’s vulnerable “centrist” freshmen, including Joe Cunningham in South Carolina, Kendra Horn in Oklahoma, Xochitl Torres Small in New Mexico, and two congresswomen in South Florida.

In the Senate, Republicans the press had written off weeks ago retained their seats, including Iowa’s Joni Ernst and Maine’s Susan Collins. Sen. Mitch McConnell is still favored to remain majority leader, though it may take a couple of Georgia runoffs to get there.

Politico reported that “shell-shocked” House Democrats spent Wednesday asking “What the hell happened?”—as if that’s in question. No doubt the left will come up with all manner of excuses,



Chuck Schumer and Nancy Pelosi

given time. But this result was a direct consequence—a rebuke—of the Pelosi-Schumer decision to let the lunatics run their asylum. Call Adam Schiff and Jerry Nadler what you will, just don’t call them good politicians.

What exactly did Mrs. Pelosi’s members have to run on? In two years, they’ve passed one bill of consequence: Mr. Trump’s U.S.-Mexico-Canada trade agreement. They otherwise spent their time running investigations into unfounded claims of Russia collusion and supposedly fishy Trump finances. They ginned up an impeachment spectacle, with articles that listed no crimes. They refused to negotiate with the White House on further virus spending, infrastructure, immigration—solely to deny Mr. Trump any legislative accomplishments. Senate Democrats were no better, playing their own impeachment role and vowing that if they took power they’d pack the Supreme Court and admit the District of Columbia and Puerto Rico as states to swell their own ranks in the upper chamber.

Mrs. Pelosi can’t claim to be surprised by what happened this week; she’s been through it before. In 2006, Mi-

nority Leader Pelosi recruited centrist candidates across the country and ran on a modest agenda of pocketbook issues. House Democrats picked up 31 seats, took the majority, and paved the way for Barack Obama’s election in 2008. Then Mrs. Pelosi gave license to her left wing, producing ObamaCare, climate-change legislation and spending blowouts. The response was the 2010 midterm, in which voters sacked dozens of those same Democrats and took away Mrs. Pelosi’s speakership.

Lather, rinse, repeat. She followed her 2006 strategy in 2018, running on a promise to find “common ground” with the Trump White House, fielding centrist candidates in close districts, even insisting there would be no impeachment. It worked. Having reclaimed the gavel, she then promptly indulged her left’s passion for investigations, obstruction, the Green New Deal, Medicare for All and impeachment. Democrats will keep their majority this time, though with far less latitude to dictate an agenda.

Will Democrats learn? Assuming Republicans keep the Senate, we will continue with divided government. Americans sent a message on Tuesday that they are done with the hoopla and want to see Washington address the real problems of the day, of which there are plenty. America remains a center-right country, and there is great political upside for politicians who govern in a center-right fashion. And real losses for those who don’t.

Write to kim@wsj.com.

Philadelphia’s Antireligious Cruelty

HOUSES OF WORSHIP
By Thomas Paul

I try very hard not to take for granted the life I’ve been given. When I was born, my biological mother couldn’t care for my brother and me. We were taken from her and placed in foster care through Catholic Social Services in Philadelphia. We were fostered and then adopted by Cecelia Paul, the woman I called mom. I always say, “Whoever raises you—that’s your mother.”

But there are children in Philadelphia today who might not get the same chance I did. That’s because the city shut down Catholic Social Services over a religious-freedom dispute two years ago. Fortunately the organization, and countless unknown children, got another chance this week.

My mom loved children so much that she made them the center of her life. She became a foster parent in 1972 and over nearly half a century she gave a new life to more than 130 foster children. Whether they were with her for 10 days or 10 years, every child that came into her home was treated like family.

I won’t sugarcoat it. Fostering isn’t easy, and nearly half of foster parents burn out

after only a year, according to Irene Clements of the National Foster Parent Association. My mother would say she lasted as long as she did because of the unique support that Catholic Social Services provided.

The organization is one of more than two dozen private foster agencies in Philadelphia. But Catholic Social Services’ families often look different from typical foster families. Some 60% are black. Many of its foster parents are single mothers, and some have raised biological children too. All share something in common: They intentionally chose to work with an agency that is driven by its religious convictions. This community succeeds because families and staff are guided by their faith and support one another unconditionally.

In 2018 Philadelphia told Catholic Social Services that it could no longer minister to foster families. That’s because, as a Catholic agency, its religious character prevented it from endorsing same-sex or unmarried couples as foster parents. My mother could no longer take foster children into her home in partnership with an agency—and with the support of social workers—she had known for 46 years.

The city’s decision to close

down this 200-year-old ministry makes no sense. Catholic Social Services serves all children regardless of race, religion or sexual orientation. Same-sex or unmarried couples who want to become foster parents can work with dozens of other private foster agencies in Philadelphia.

City officials pushed Catholics out of foster parenting to punish them for their faith.

Three of them are even specially certified to help families headed by same-sex couples. Perhaps that’s why not a single same-sex couple had approached Catholic Social Services looking for approval.

The city’s decision to shut out Catholic Social Services was devastating to my mom. She had empty beds in her home and plenty of love to give but was denied the opportunity to care for those in need. I saw up close the great pain that losing her sense of purpose caused.

Many Catholic Social Services foster families are still ready to care for children. But the city won’t let them—even

though it announced more than 200 children needed a home only days after it stopped working with Catholic Social Services. Foster children like me are being deprived an opportunity to rise above their circumstances simply because local officials see political benefit in such a policy.

My mother spent years fighting for Catholic Social Services as a plaintiff in *Fulton v. City of Philadelphia*. She fought to protect the right of Catholic Social Services to care for kids in need consistent with its sincere religious beliefs. Unfortunately, my mom died in 2018, before she could see this commitment through. That’s why I’m now speaking up on her behalf.

The Supreme Court heard my mother’s case on Wednesday. “This court has repeatedly said there should be room for those with different views,” said Lori Windham, counsel for the foster families. “Our pluralistic society is at its best when it has a Free Exercise Clause that protects free exercise, not just of those who agree with the city officials in charge.” She’s right, and I pray the Supreme Court agrees.

Mr. Paul is a former foster child and the adoptive son of Cecelia Paul.

Has Trump Turned Arizona Blue?

By Masada Siegel

Scottsdale, Ariz.

Before the election my solidly Republican neighborhood in this Phoenix suburb was dotted with Biden-Harris political placards, new ones appearing daily. Many even said, “Republicans for Biden.” I took it as a sign that times were changing.

My parents bought the first house in the area, down the street from where I now live. They moved from New York in 1981 and were greeted by their new neighbors; coyotes, snakes, prairie dogs and deer.

Since then, the state’s population has grown more than 150% and become more diverse. But we’ve maintained our conservative Western values, independent streak and common-sense approach to solving issues.

Arizona voters are a tricky bunch, especially those of us who grew up here. Plenty of my Democratic friends own guns and strongly believe in the

right to bear arms. Yet a Republican neighbor who has semiautomatic weapons confided: “I love my powerful guns, but truly no one needs or should be allowed to have them.”

Here morality matters, and so does loyalty. President Trump’s attacks on the late Sen. John McCain—a former GOP presidential nominee, prisoner of war and Vietnam hero—infuriated many Republicans. McCain’s widow, Cindy, endorsed Joe Biden, as did more than 100 former staffers of the senator in an open letter.

“I know John McCain was dismayed that so many elected Republicans placed power over principle,” says Grant Woods,

who served as then-Rep. McCain’s first chief of staff in the 1980s and was state attorney general from 1991-99. “He had no use for Trump. They were almost exact opposites.”

At this writing, Mr. Biden leads Mr. Trump, 50.4% to 48.2%. Some news organizations have declared Mr. Biden the winner. The Trump campaign disputes this and notes that many ballots remain uncounted. But it would be the narrowest of victories if he pulls it out—in a state that Mr. Trump carried by 3.5 points in 2016 and that last went Democratic in 1996.

While many attribute Mr. Biden’s strength to transplants from California and other more liberal places, that overlooks the influence of suburban women with strong family values.

Stand Up Republic, a non-partisan political group founded by 2016 independent presidential candidate Evan McMullin and his running mate, Mindy Finn, provided a

home for displaced conservatives who weren’t comfortable with Mr. Trump. C.J. Diegel, the group’s state leader, says its core consists of Mormon women in the Phoenix suburbs. (Mr. McMullin is Mormon.)

“Arizona’s results aren’t an embrace of the Democrats,” Mr. Diegel says. “And don’t blame Californians moving in either. Trump and his enablers repelled Mormon women voters and they fought back.”

Mesa mom Christie Black says: “I think that being a mother and being a member of the Church of Jesus Christ of Latter-day Saints fosters empathy in a person. It also moves me to reject the bullying, aggressive, divisive rhetoric and actions of Donald Trump. I see the turnout in Arizona as a rejection of hatred and othering and step toward embracing unity and each other.”

Ms. Siegel is a freelance journalist.

BOOKSHELF | By Peter Tonguetta

‘How Am I Funny?’

Made Men

By Glenn Kenny
(Hanover Square, 397 pages, \$29.99)

Thirty years after the release of “Goodfellas,” the film’s grip on popular culture remains firm. Drawing on Nicholas Pileggi’s book “Wiseguy” (1985)—about the travails of Henry Hill, an eager mob initiate who eventually switches allegiance to the FBI—Martin Scorsese presented a startlingly fresh downmarket view of Mafia life. Rejecting the operatic splendor of, say, Francis Ford Coppola’s “The Godfather,” Mr. Scorsese presented the gangsters as they were. “What these people do is morally wrong, but the film doesn’t say that,” he told the film critic David Ehrenstein in 1992. “These guys are really just working stiff.”

Mob epics would never be the same. Films from “Pulp Fiction” (1994) to “Donnie Brasco” (1997) might not have been made without the precedent of “Goodfellas,” while HBO’s “The Sopranos” confirmed that the juxtaposition of the monstrous and the monotonous could sustain a long-running series. Mr. Scorsese himself returned to shorn-of-glamour crime stories in “Casino” (1995) and “The Irishman” (2019).

In “Made Men: The Story of Goodfellas,” the film critic Glenn Kenny does not so much reflect on the film as re-create it with a shot-by-shot breakdown of granular specificity. Proceeding one scene at a time, he alternates between descriptions of on-camera action with copious behind-the-scenes details about the principal players.

For example, when Tommy, played by Joe Pesci, vociferously objects to being described as funny by Henry (Ray Liotta), Mr. Kenny reminds us that “the conflict lasts for less than a minute, but seems a lifetime, and the relief that it does not end in gunfire is physically palpable.” The author tells us that it was Mr. Pesci who came up with the idea for the scene; he was familiar with the milieu, having “kicked around the New Jersey/New York nightclub/restaurant/lounge scene” prior to his film career.

The author also recounts the strenuous research done by Robert De Niro—who, in preparing to play Jimmy, jotted down notations in his script about the attire of a midcentury mobster (“green suit . . . snake skin belt . . . black shoes”)—and how genuine criminals were cast as background extras in the movie. The film’s fans will be tickled by Mr. Kenny’s trying out Henry’s ziti-with-meat-sauce recipe for himself.

Diligently documented here are the contributions of executive producer Barbara De Fina, who is presented as an unsung force in bringing the film to life; cinematographer Michael Ballhaus, who added unplanned twists and turns to the immortal shot of Henry and his date snaking through the innards of the Copacabana; and film editor Thelma Schoonmaker, who prioritized the movie’s performances to such an extent that she would tolerate continuity errors. Mr. Kenny has something to say about every aspect of the film, including its secondary (and tertiary) cast. “There are no bit players in ‘Goodfellas,’” he writes, “just as there are no bit players in ‘Casablanca.’”

Where he gets bogged down is in the minutiae. Mr. Kenny’s constant evocations of specific shots—“the camera makes a sharp right turn and swoops over the bar again”—cry out for illustrative stills. Similarly, his breathless plot-point summaries have the flavor of a film novelization. This rigorous approach seems intended for those who have never seen the film, yet who but diehard fans would find such details engaging?

‘Goodfellas’ made no moral judgments; it presented the gangster as working stiff. Mob epics would never be the same.

There is lots of useful information here—from background details on the real-life Henry Hill to a thorough accounting of the film’s brilliant use of music—but it quickly overwhelms. A few words about the title designers are fine, but multiple paragraphs on what are fairly ordinary opening titles are a bit much. Nor does it add to our appreciation of Lorraine Bracco, cast as Henry’s wife, to be reminded that she was once in a relationship with Scorsese stalwart Harvey Keitel, or that they had resided in the same apartment complex as Mr. De Niro.

Any book devoted to a single work of art prompts the question of whether that work warrants such in-depth treatment. Despite the film’s sacred-cow status, Mr. Kenny summarizes the positive but sometimes guarded reviews of several major critics, including the New Yorker’s Pauline Kael, who said it wasn’t a great movie but nevertheless a “triumphant piece of filmmaking.” The verdict of the New Republic’s film critic Stanley Kauffmann, unmentioned here, resonates: “Possibly there is a limited amount of enlightenment to be found in scenes of a man being shot in the head from behind so that his blood splatters his bed.”

Even Mr. Scorsese, in a recent interview with Mr. Kenny quoted at length in the book, suggests that “Goodfellas” had not been his top priority next to his passion project, “The Last Temptation of Christ” (1988), and his abortive version of “Schindler’s List,” ultimately directed by Steven Spielberg. Having already plotted out “Goodfellas,” Mr. Scorsese went ahead anyway. “And in a sense I approached it as an unfinished work, unfinished business, just got to get [it] done,” the filmmaker said. “And we got it done. We got it shot, we got it edited.” Earlier, it is implied that Mr. Scorsese, following a rough patch in the 1980s, saw the project as a gateway to renewed relevance in Hollywood, which indeed it was.

“Made Men” feels curiously soulless—it’s lively and overstuffed, but one suspects that had Mr. Kenny applied his labors to one of Mr. Scorsese’s more deeply felt films, such as “The Last Temptation of Christ,” the results would have been more focused and forceful. Then again, “Goodfellas” at least has unanimity on its side: It’s everybody’s favorite Mafia movie, and doubtless its many partisans will crack open this book the next time they watch the film.

Mr. Tonguetta is the author of “Picturing Peter Bogdanovich: My Conversations With the New Hollywood Director.”

Coming in BOOKS this weekend

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OPINION

REVIEW & OUTLOOK

Joe Biden’s Non-Mandate

As the votes continue to be counted in swing states, Joe Biden has the best chance to become the next President.

But the closer we inspect the nationwide election returns, the more the result looks like a defeat for the rest of his Democratic Party and especially for the progressive agenda. Mr. Biden would take office without a mandate beyond addressing Covid-19 and not being Donald J. Trump.

Mr. Biden will win the popular vote, and he may eke out a narrow win in the Electoral College. In essence he’ll have reversed Mr. Trump’s victory in 2016 with hair’s-breath advantages in Wisconsin and Michigan, and perhaps Pennsylvania, Georgia and Arizona. None of them will be by large margins. He will have vanquished an incumbent President, which is no easy task.

* * *

But look down the ballot, or across the country, and Mr. Biden’s potential victory looks remarkably limited and personal. Most new Presidents enter office having swept allies into Congress and statehouses as the public embraces his agenda and vision for America. Certainly this was true of Barack Obama in 2008 and to a lesser extent Mr. Trump in 2016. Mr. Biden had no such coattails.

Democrats lost seats in the House, giving up some of the suburban gains they made in 2018 while continuing to struggle in rural areas. The full results won’t be in for weeks, but Speaker Nancy Pelosi may find her majority cut in half or more to the smallest in 20 years.

Senate control may be determined by a Jan. 5 runoff for two seats in Georgia. But the GOP already looks to have won 50 seats to 48 for Democrats, who had expected to ride public dislike for Mr. Trump into the majority. A GOP Senate may compromise with Mr. Biden around centrist ideas, but the aggressive House agenda of the last two years would die again.

This result is all the more remarkable given that Democrats had nearly all of the media, Silicon Valley billionaires, and all of the leading cultural figures and institutions helping them. Even the Chamber of Commerce paid protection money. Democrats raised unheard of sums close to \$100 million for some Senate races, outspending Republicans by two or three to one. They still could oust only two incumbents and lost one of their own.

The lack of coattails was also evident in the states, where Democrats spent heavily to flip legislatures. Former Attorney General Eric

Holder made this his personal project with a goal of dominating the fight over Congressional redistricting next year after the final Census count. He flopped. The GOP flipped both legislative bodies in New Hampshire, despite Mr. Trump’s loss in the Granite State, and Republicans protected their advantage nearly everywhere else. (See more details nearby.)

There was no blue wave, and certainly no mandate for progressive change. If anything, the fevered Democratic and media anticipation of a “transformational” election drove more voters to turn out to stop it. When Mr. Trump finally focused on the economy and progressive agenda in the last weeks of the campaign, his support rose and lifted Republicans in some places as well.

Meanwhile, Mr. Biden’s campaign platform boiled down to he’s not Donald Trump, he’ll do a better job fighting Covid-19, and he won’t take away your health care. His TV ads were largely biographical, contrasting his character to Mr. Trump’s.

Mr. Biden barely mentioned the agenda his aides developed with Bernie Sanders, and the press barely asked him about it. When the former Vice President did finally admit in the last debate that he wanted to “transition” the economy from fossil fuels, his campaign had him scramble to explain it away.

Mr. Biden does have a mandate to defeat Covid-19, rolling out the vaccines already in the pipeline and setting an example by wearing his mask. He has a mandate not to tweet, not to call the press “the enemy of the people,” and not to make himself the center of attention all the time. He also has a mandate to work across the aisle with Senate Majority Leader Mitch McConnell.

This could be liberating for Mr. Biden, giving him leverage over a diminished Mrs. Pelosi and the Sanders-Elizabeth Warren wing of the Senate Democratic caucus. But he would have to risk upsetting the political left who supported him in hopes that he is the Trojan Horse whose personal contrast with Mr. Trump would usher in a new progressive majority.

Instead, in their considerable wisdom, the voters may have elected Mr. Biden but they left his party and its radical ideas behind.

He may win, but his party and progressive ideas lost.

The Maine moderate’s victory will prevent radical Senate policies.

than \$63 million in a state with small TV markets. Ms. Collins raised more than \$25 million and was trailing in the polls for months. But on Election Day she won 51% to 42%.

We disagree with Ms. Collins on many issues, not least her vote against the 2017 health-care reform and opposition to Justice Amy Coney Barrett on grounds that her nomination was too close to an election. But these votes help Ms. Collins demonstrate her independence to Mainers who aren’t as conservative as the rest of the country.

If only Angus King, the state’s Independent Senator who caucuses with Democrats, would ever show some actual independence. With Senate control in the balance, Ms. Collins’s victory in a tough state for Republicans is a crucial barrier to a radical progressive agenda.

Susan Collins and Majorities

Susan Collins of Maine is the Senator many conservatives love to disdain, but this week her re-election to a fifth term in a Northeast state may save the Republican majority. It’s a reminder that durable majorities in a diverse America require broad coalitions.

Ms. Collins won because she has an independent profile in a state that looks kindly on that type of politician. She has usually coasted to re-election, but Democrats targeted her this year after she provided the decisive vote to confirm Brett Kavanaugh to the Supreme Court. Her speech explaining her vote was a tour de force of the Senate’s advice and consent responsibility. The safer vote for re-election would have been no.

Democrats nominated Sara Gideon, Speaker of the Maine House, and the party raised more

A Democratic Flop in the States

Can donors to former Obama Attorney General Eric Holder’s campaign to take control of statehouses get their money back? Democrats on Tuesday failed to flip any of the GOP legislative chambers they targeted, and Republicans expanded their majorities in some statehouses.

In 2010 Republicans swept statehouses in states including Wisconsin, Michigan, Ohio, Pennsylvania, North Carolina and Iowa. This allowed them to draw new Congressional and state maps after the 2010 Census. New GOP statehouse majorities also limited collective bargaining, passed right-to-work legislation (Michigan, Wisconsin), cut taxes (North Carolina, Iowa, Michigan) and expanded school choice (Ohio, Wisconsin, North Carolina), among other reforms. Democrats blamed Barack Obama for ignoring statehouse races.

Mr. Holder has since launched a half-decade campaign to regain control of statehouses and the post-2020 Census redistricting, and he’s raised a boatload of money to do it. In 2018 and 2019, a backlash against President Trump helped Democrats win governorships in Michigan, Kansas and Wisconsin and “trifectas” (both legislatures and governorships) in Nevada and Virginia.

Democrats went into this election with 39 legislative chambers, 19 statehouses and 15 trifectas. The GOP boasted 59 legislative chambers, 29 statehouses and 21 trifectas. Democrats aimed to flip the legislatures in North Carolina and Arizona and chambers in Texas, Florida, Michigan, Minnesota, Pennsylvania and Iowa.

They came up short everywhere. Democrats didn’t pick up a single new chamber or governorship while Republicans won two more tri-

fectas in Montana and New Hampshire by flipping the governorship in the former and both legislative chambers in the latter. Oh, and Republicans expanded legislative majorities in Florida and North Carolina.

Some races in Arizona are still too close to call, but an independent commission will draw its new maps and GOP Gov. Doug Ducey can stop Democrats from turning the state into California without the beach. Voters in Michigan also recently approved a referendum creating redistricting commissions. Republicans can nonetheless continue to use their statehouse majorities to advance more reforms and set examples of sound governance.

Democrats are blaming their statehouse rout on GOP gerrymanders in 2010. But Democrats gerrymandered maps after 2000, which didn’t stop Republicans from flipping 24 chambers in 2010 amid a voter backlash against Democrats in Washington. Democrats failed this year because voters again revolted against progressive governance.

Note also that liberal state judges in North Carolina ordered new non-gerrymandered state maps to be used for this election. Republicans nonetheless picked up four state House seats. Texas’s House map was also redrawn by judges under the Voting Rights Act.

A larger problem for Democrats is their voters have become increasingly concentrated in the cities and on the coasts. As a result, their policies and message have become increasingly targeted at progressive elites. Democrats gained some ground in the suburbs and heartland in 2018, but they lost in many of these areas this year. One suggestion: Maybe try a more moderate message than defund the police.

A pricey bid to control redistricting fails to flip statehouses.

LETTERS TO THE EDITOR

Video Games and Your Information Privacy

The claims made by Dave Aitel and Jordan Schneider in their Oct. 28 op-ed “If You Play Videogames, China May be Spying on You” are speculative and misleading. The authors get facts wrong and overlook Tencent’s commitment to user privacy and data security.

Videogames don’t represent nearly the data risk the authors claim. Games typically don’t collect real-life personal data nor is data used for targeted advertising or content recommendation. And most mobile game publishers don’t have access to sensitive financial data, instead relying on third parties such as Apple and Google to process payments.

The authors also confuse investing with operational control. Tencent supports and invests in U.S. game developers, but we are not the publisher of their U.S. games. And it is the U.S. publisher—not Tencent—that has access to user data and makes content moderation decisions. This is true for our minority investments and the few cases where we have majority stakes. Both types of companies are operationally independent and conduct their own U.S. publishing activities.

Where we do try to help is with global expansion, especially in China. Through licensing agreements, we have paid billions in fees to our U.S. partners, and we are proud of—and committed to—their growth and con-

tributions to the U.S. economy.

Tencent does publish a handful of its own games in the U.S. such as PUBG Mobile and Arena of Valor. For these games, U.S. user data is retained on servers outside mainland China and is compliant with both the General Data Protection Regulation and the California Consumer Privacy Act.

BRENT IRVIN
General counsel, Tencent Holdings
Mercer Island, Wash.

The U.S. media are very eager to publish unsubstantiated threats to U.S. national security involving companies from China, but they forget to mention that American tech giants are mostly an open book to the U.S. government when it comes to the data they store on international users, as the Fourth Amendment doesn’t apply to them. I learned that recently when a federal judge in Kentucky told me that the data Google (and any other provider) stores about me, a foreign national, in the U.S., should be handed over on request and doesn’t even require a warrant. What might the U.S. government be doing with that data? The rest of the world should be running from U.S. big-tech companies, as they are a personal security risk to world citizens.

VLAD NISTOR
Cluj-Napoca, Romania

Steel Tariffs Helped the U.S. Steel Industry

Regarding “Steel Tariffs’ Boost Appears Short-Lived” (U.S. News, Oct. 29): The tariffs worked, lowering the market share of imported steel, increasing domestic capacity-utilization rates, allowing idled facilities to be restarted and encouraging the industry to make billions of dollars of investments in new and upgraded steel facilities. However, when the Covid-19 pandemic hit, steel demand and raw steelmaking capacity utilization plunged. American steelmakers were forced to close plants, lay off workers and delay investment activity. But if not for the tariffs, the impact would have been far worse.

The threat of renewed surges in steel imports in the face of the coronavirus shock make the national-se-

curity justification for the steel tariffs even more clear. While the steel industry is beginning to recover from the impacts of the pandemic, progress has been slow. The industry remains at risk from growing global steel overcapacity in China and elsewhere, fueled by foreign state-directed investment and subsidies, which distort global steel markets and encourage unfairly traded steel to pour into the U.S. The steel tariffs are necessary to prevent import surges that destroy good-paying manufacturing jobs and undermine a critical U.S. industry.

KEVIN DEMPSEY
Interim president and CEO
American Iron and Steel Institute
Washington

South Dakota Needs to Push Mask Wearing

Because South Dakota Gov. Kristi Noem has no opinion on whether people should wear masks while in close proximity to others in public locations, I’d like to share mine: Wear masks while in close proximity to others in public locations. (“Dakotas, Once a Haven, Now See Infections Surge,” U.S. News, Nov. 2)

If that was my opinion only, then I wouldn’t be writing this letter. But it isn’t. Local, state, federal and global health organizations advocate mask wearing, hand washing and social distancing to help reduce the spread of Covid-19. These recommendations aren’t made to shame people or restrict freedoms. They are made to save lives.

Gov. Noem is correct that the virus will spread with or without governmental restrictions. However, there are effective ways to slow the spread, and the government should be encouraging people to slow the spread.

Advocating for people to follow evidence-based public-health recommendations will help reduce the burden on our health system and ultimately lower the number of people dying from Covid-19.

The fact that the governor of South Dakota feels “pretty good about where we’re at” is disheartening. I am sure this is an incredibly stressful and difficult time to be a public leader. And in the current political climate, no leader can make decisions that will make all of their constituents happy. But this isn’t about making people happy. This is about protecting the people you serve.

I don’t feel pretty good about where we’re at. Please, everyone, wear masks while in close proximity to others in public locations. There is no shame in doing so.

ERIN REES CLAYTON, PH.D., MPH
Pierre, S.D.

Courts Must Defer to Legislatures on Voting

In “An Election Doesn’t Have to Tear Us Apart” (Politics & Ideas, Nov. 4), William A. Galston glosses over the distinction between a state and its legislature. State legislatures are the legal authority for choosing electors for president, not the courts, according to the Constitution. The methods used to elect senators and representatives are like-

wise in the power of legislatures though subject to modification by law passed by Congress. When state or federal courts intervene to dictate what is rightfully within the power of the legislature they violate the Constitution. When courts subvert the authority of the legislature in elections, those ballots submitted according to court but not legislature rules may rightfully be disqualified.

Mr. Galston shouldn’t obfuscate the issue and imply that courts may determine the rules. That way lies the loss of the constitutional principle of separation of powers—that is anarchy.

ANTHONY J. ADOLPH
Austin, Texas

Pepper ... And Salt

THE WALL STREET JOURNAL



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OPINION

Beijing Strangles Hong Kong Even Tighter

By **Benedict Rogers**

With July’s national security law, China’s Communist Party dismantled Hong Kong’s freedoms and destroyed the “one country, two systems” principle. Now Beijing has announced it will go even further and impose “comprehensive governance” of Hong Kong in the next five years, effectively absorbing the territory into the mainland in violation of the international treaty it signed with Britain in 1984.

Led directly by Xi Jinping, the proposal forms part of China’s next five-year plan and would apply to Macau as well. It specifically threatens Hong Kong’s legal system, emphasizing the need to “implement the central government’s comprehensive jurisdiction over the two [cities], as well as their legal systems and enforcement mechanisms.” It highlights the regime’s wish to “boost Hong Kong and Macau compatriots’ sense of national identity and patriotism . . . as we resolutely prevent and curb external forces from interfering with the two cities’ affairs.”

A new proposal would destroy any semblance of the city’s autonomy and its residents’ freedom.

Hong Kong’s freedoms have been steadily eroded over the past six years by a range of repressive laws and measures. Now Beijing’s wants to destroy any semblance of the island’s autonomy.

In practice, “comprehensive governance” means direct rule. Hong Kong would no longer be different from any mainland city. It could spell the end of democratic elections, a free press, freedom of expression, academic freedom, religious freedom, judicial independence and the rule of law. It could turn Hong Kong into a place of arbitrary detentions, disappearances, torture, forced televised confessions, slave labor, prison camps and executions. It could mean places of worship destroyed or closed, crosses torn down, portraits of Mr. Xi displayed in churches alongside or instead of religious symbols. Not even Hong Kongers’ body parts would be safe, given the regime’s track record of forced organ harvesting. It could make Hong Kong the new Tibet, the new Xinjiang.

The international community should make it clear to Beijing that any move toward direct rule would trigger swift and severe consequences, including the imposition of targeted sanctions. The free world should also work together to offer a lifeline to Hong Kongers who’d like to leave.

Let this be a wake-up call to those who say we must continue to engage China in good faith. The Chinese Communist Party has clearly demonstrated it will not hesitate to break its word, bully and intimidate to try to get its way. We must not tolerate this.

Whoever wins the election, America’s president must put responding to the erosion of freedom in Hong Kong at the top of his to-do list. Hong Kong has been the front line for the free world. That front line moved to Taiwan in July when the national security law took effect, and Taiwan is now in Mr. Xi’s sights. Failure to make it abundantly clear that Beijing’s most recent proposal will carry grave, long-term consequences would expose Taiwan to further threat—and that would move the front line of the fight for freedom even closer to home.

Mr. Rogers is co-founder and chief executive of Hong Kong Watch.

By **David B. Rivkin Jr.**
And **Andrew M. Grossman**

Whoever first quipped “It’s all over but the counting” forgot about the lawyers. Over the past year, Democrats and their allies marched through state after state in an unprecedented legal campaign to upend longstanding rules of election administration. The result is more uncertainty than ever over the basic rules of voting, and an increased likelihood that races will have to be called by the courts. Although it’s too early to say for certain, that may include the presidential election.

The battle lines are being drawn in states President Trump needs to win. Pennsylvania provides a typical illustration. In 2019 the state overhauled its election code to allow everyone to vote by absentee ballot. What had been a relatively restrictive regime, with early deadlines and limited availability, was transformed into one of the most liberal in the nation, requiring only that ballots be received by the statewide voting deadline, 8 p.m. on Election Day.

Even that wouldn’t hold. After three lawsuits to extend the deadline struck out this summer, the Pennsylvania Democratic Party hit a home run on the fourth at-bat. What changed was that the secretary of state, charged with defending state law, switched sides to support her own political party. The Pennsylvania Supreme Court held that the ballot-receipt deadline, established by state law, violated the state constitution’s “Free and Equal Election Clause” and legislated a three-day extension along with a presumption of timeliness for unpostmarked ballots received by Friday. It dismissed out of hand arguments that the U.S. Constitution’s Elections and Electors clauses vest exclusive authority in state legislatures to set the rules of federal elections that can’t be rewritten by state judges or executive-branch officials.

The U.S. Supreme Court split evenly on requests by the state Re-



Vote counters work in Stroudsburg, Pa., Thursday.

publican Party and the GOP-controlled Legislature to block the lower-court ruling—effectively denying them. But both have asked the court to review the case on the merits, and the Trump campaign filed a motion on Wednesday to join that case as a party. If Pennsylvania is close, the Biden campaign will join the other side, creating a 2020 reincarnation of *Bush v. Gore*.

Democrats began litigating years ago, and quicker resolutions could have prevented problems now.

We’ve come to this pass because of Democratic politicians’ recklessness and the Supreme Court’s timidity. Democrats knew from the beginning that it was risky for state courts to shift the rules of federal elections, because voters might rely on state-court decisions later overturned under federal law. The justices also could have avoided the problem by deciding the issue before Election Day, when voters still had the opportunity to get their ballots in on time according to the rules.

In this case, Chief Justice John

Roberts’s inclination to duck politically charged cases may prove self-defeating. If the court has to step in now, after the votes have been cast and counted, a political storm could become a hurricane.

Republicans filed two Election Day lawsuits in Pennsylvania challenging local election officials’ disparate treatment of defective mail-in ballots. While state law doesn’t permit mail-in voters to be notified of defects with their ballots—doing so would interfere with the timing and confidentiality of the counting process—officials in several counties apparently contacted voters to allow them to cure defects. The problem, aside from violating state law, is that this treats voters differently depending on where in the state they live, in contravention of equal-protection principles. It’s little different from the gerrymandered recount the high court rejected in *Bush v. Gore*.

The backdrop in Arizona is a long-running lawsuit by the Democratic National Committee challenging the state’s requirement (shared by most states) that voters cast their ballots in assigned precincts, along with its prohibition on “ballot harvesting,” the collection of ballots by parties outside the voter’s family or household. The Ninth U.S. Circuit Court of Appeals ruled in favor of

What Comes After Biden vs. Trump? Ask the U.K.



POLITICAL ECONOMICS
By **Joseph C. Sternberg**

London It’s easy to miss amid protracted ballot counts, “fraud” allegations, a global pandemic and hyperventilating press corps, but the U.S. election was surprisingly normal.

Yes, normal. American voters rejected millenarianism on the right and the left. President Trump’s silent majority isn’t silent, but it isn’t a majority either. If he ekes out a victory in coming days it will have been only by the narrowest of margins in a handful of states after losing the popular vote for a second time. But nor will voters have embraced Democrats’ attempt to convert a presidential election into a Manichaeian contest of light versus dark. If Joe Biden wins, it will be without a morally emphatic landslide.

Further evidence of voters’ pragmatic intentions comes from what they’ve done in Congress. As of this writing they appear to have returned a Republican Senate, but in a somewhat chastened form. And they’ve returned a Democratic House but also with a stern warning in the form of lost seats.

In other words, Americans voted for politics: the wheeling and dealing that necessarily accompanies a divided government with ambiguous popular mandates. The sheer bloody-mindedness of this decision, when all of us buffoons in the press and political classes wanted and expected a decisive result, is a magnificent U.S. tradition.

And to be fair, it isn’t only American voters who are doing this these days. A glimpse of what awaits the U.S. comes courtesy of unfolding events in the U.K., whose recent political developments parallel the American experience.

Britain perhaps more neatly than the U.S. encapsulates the two-step process by which voters have sought to reanimate normal politics. First, cast an outlandish ballot that elevates one or more previously outré issues. Then elevate centrists to cope with the aftermath.

In the U.K., 2016’s Brexit referendum was the first step. That unexpected vote to leave the European Union shimmied open the famous “Overton window” of subjects open to legitimate discussion. Britain’s Overton window now allows discussion of national sovereignty, immigration and the acceptability of the country’s economic settlement for its previously industrial, unemployment-plagued northern regions. All of these issues had been more or less out of bounds before 2016.

Voters spent the next several years rebuffing politicians who tried to slam shut that Overton window by claiming that the voters hadn’t known what they were doing in 2016. Most spectacularly, the Conservatives suffered a humiliating quasi-defeat in 2017’s election under Prime Minister Theresa May, who tended to sympathize with the pro-European Union Remainers and lost the Tories’ majority in parliament as a consequence.

But Britons also repudiated politicians who would have responded to

Brexit with more radical policy platforms. Once the Conservatives finally made their peace with Brexit and the issues it raises, voters abandoned the monomaniacal Brexit Party of Nigel Farage and its halfway-libertarian version of Brexit. They also abandoned the far-left vision of Labour leader Jeremy Corbyn, who thought Brexit voters were demanding a radical expansion of the state.

After tossing open the Overton Window in 2016, Britons raised moderate politicians to run things.

This has produced a form of politics that still tends toward the center as pre-Brexit politics did, but that now takes as its subject matter a broader range of concerns. Both major parties have settled on leaders—Prime Minister Boris Johnson and new Labour chief Keir Starmer—who are at heart conventional politicians of long standing, but who now play politics on a wider field.

The policy consequences are obvious. Brexit is finally happening, but with much greater pressure on Mr. Johnson to negotiate a trade deal

the Democrats and enjoined both policies in 2016, but the Supreme Court blocked the injunction a day later, with no recorded dissents.

The litigation dragged on. After a 10-day trial, a district court held that neither of these policies violates the Voting Rights Act. The Ninth Circuit reversed, but it stayed its own decision, anticipating that the Supreme Court would do so if it didn’t. The Supreme Court agreed last month to hear the state’s appeal, but it has yet to schedule arguments in the case. Meanwhile, Democrats stand ready to challenge the disqualification of wrong-precinct votes if that’s necessary to nudge up the numbers.

The presidential race may require legal decisions resolving such issues, as well as recounts and all the additional questions they implicate, to be decided in as many as half a dozen states. Manual recounts may be requested in several states, adding additional delays to the overall process. The Trump campaign has already filed lawsuits challenging various aspects of ballot handling and counting in Michigan and Georgia; suits in Nevada and Arizona may follow. Every case will have to be decided before Dec. 8, the federal statutory “safe harbor” deadline for states to appoint elector slates, or, at the absolute latest, by Dec. 14, when the Electoral College votes.

The media is already accusing the Trump campaign of attempting to litigate its way to victory, but practically every issue in play arises from the Democrats’ march through the courts in the run-up to Election Day. For all the cries of “disenfranchisement,” both sides agree that every lawful ballot should be counted. But after so many conflicting court decisions over the past year, what’s uncertain now is the law, and there’s no dishonor in asking the courts to say what it is.

Messrs. Rivkin and Grossman practice appellate and constitutional law in Washington. Mr. Rivkin has served in the Justice Department and the White House Counsel’s Office.

with the EU. His enthusiasm for economically disastrous coronavirus lockdowns notwithstanding, Mr. Starmer seems more interested in the economic plight of Labour’s traditional northern base than any other recent leader.

Back to America: For U.S. voters the trigger was not a single issue such as Brexit but a singular politician in the form of Mr. Trump. The effect is similar, however. Thanks to President Trump Americans are now relitigating, for good or ill, a host of issues including immigration, trade, foreign policy and the role of industry in the U.S. economy. All of this had seemed settled barely a decade ago, until Mr. Trump started asking awkward questions.

Yet we have not handed the formation of policy responses to radicals on either side. Whoever wins will have done so only by the skin of his teeth, either with an embarrassing popular-vote loss or a contrary Senate. Either way, we’ll be left with some faint hope of immigration reforms without the deportations, and economic changes without the socialism. Barring that, we’ll have the gridlock voters seem to find preferable to obvious policy errors.

The voters have spoken. Every politician has lost in one way or another. Nature is healing.

They’d Rather Be Canadians

By **Michael Taube**

Point Roberts, Wash., is a census-designated place with a population of 1,314 about 45 minutes south of Vancouver, British Columbia. It offers beautiful views of the ocean and mountains. Farming and fishing are popular. There are few scattered businesses, one school, a doctor’s clinic and several parks and trails.

Oh, and one other thing. Some of its residents are fed up with the U.S. and would like their town to be sold or ceded to Canada.

In June 1846 the U.S. and U.K. signed the Oregon Treaty, ending the Oregon border dispute. The new border, at the 49th parallel, cut right through the Tsawwassen Peninsula, with Point Roberts stuck on the American side. If residents want to drive to the U.S. mainland, they must first pass through Canada. There’s no other option.

For a long time, residents didn’t seem to mind. As Vancouver-based Toronto Star reporter Douglas Quan wrote on Oct. 17, their community has been called a “quirk of geography” and America’s “orphan problem child.” Nevertheless, people in Point Roberts considered themselves lucky to live in “safe, sleepy isolation.” Then Covid-19 struck. The U.S.-

Canada border has been closed to “nonessential travel” since March. “Severe border restrictions have essentially choked off Point Roberts, turning it into a ‘ghost town,’ ” Mr. Quan wrote. Businesses that rely on Canadian travel and tourism have taken a huge financial hit. Some Point Roberts parents whose children attend schools in British Columbia have been forced to “put up their kids in homes on the Canadian side of the border.”

Point Roberts locals have been understandably frustrated with the situation. With no end to the pandemic in sight, they want to find an escape hatch from the U.S.—and fast.

Some call it “PRexit”—Point Roberts Exit. Others feel the U.S. should sell or cede the town to their Canadian neighbors. More exposure to beer, back bacon and ice hockey, and a subtle switch from saying “huh” to “eh,” would suit them just fine.

Probably neither President Trump nor Joe Biden is familiar with what’s going on in Point Roberts. The possibility of selling a small piece of the U.S. to Canada could appeal to Mr. Trump’s “Art of the Deal” persona if he’s re-elected. If Mr. Biden wins, this may help ease some tensions in the town and he could tell Americans that the situation was so grave under Mr. Trump that one of our

communities considered leaving our country to go to Canada. The border will remain closed, however, no matter who’s in charge.

Turning Point Roberts, an unincorporated township, into something similar to Puerto Rico, an unincorporated territory, could work. It would even intrigue Canada, since conservative-leaning members of Parliament in my country have occasionally mused about the possibility of annexing the Turks and Caicos Islands.

Other—far less likely—options include statehood and independence. A Republic of Point Roberts would recall the wonderful Franco-Belgian *bande dessinée* series “The Adventures of Asterix,” in which a little village existed under Roman Republican rule even after the main country had been conquered by Julius Caesar.

With good fortune and a bit of luck, Point Roberts will get past this difficult period and remain an obscure exclave of the American Republic. If not, the door to the Great White North is always open. The more the merrier.

Mr. Taube, a columnist for Troy Media and Loonie Politics, was a speechwriter for former Canadian Prime Minister Stephen Harper.

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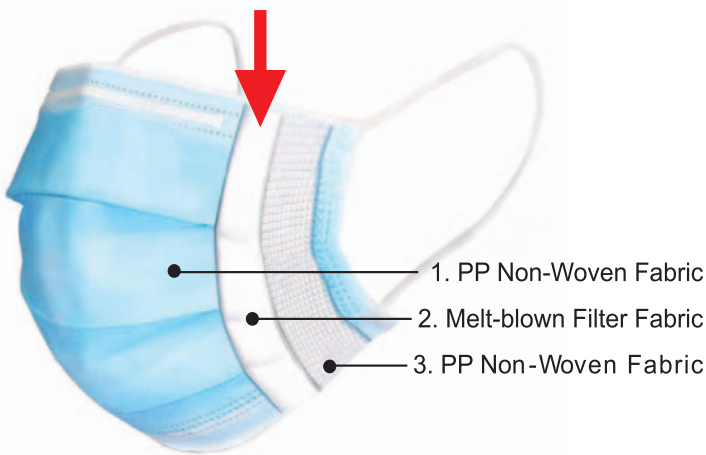


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Stocks Head for Best Week Since April

Split Congress elates investors on reduced chances for higher corporate taxes

By Caitlin McCabe
And Caitlin Ostroff

U.S. stocks surged Thursday, putting major indexes on track for their sharpest weekly gains since April, as investors cheered the diminished prospects of higher corporate taxes under a split Congress. Democratic candidate Joe Biden is within striking dis-

tance of the presidency, potentially ending weeks of uncertainty about the U.S. election that has weighed on markets. Republicans appear to have won enough seats to fend off Democrats' ambitions for a Senate majority. Democrats, meanwhile, are poised to remain in control of the House. Investors' anticipation of a divided government—which could make it more difficult to accomplish major legislative overhauls, including raising corporate taxes and regulating technology companies—has fueled sustained optimism on Wall Street this week, pushing

major stock indexes closer to their highs. The S&P 500 rallied 67.01 points, or 1.9%, to 3510.45, while the Dow Jones Industrial Average rose 542.52 points, or 1.9%, to 28390.18. Both indexes recorded their fourth consecutive gain of 1% or more—the longest such streak for both indexes since October 1982. A surge in shares of technology companies also pushed the Nasdaq Composite higher, with the index gaining 300.15 points, or 2.6%, to 11890.93, its third-highest close in history. All three indexes also notched their largest four-day

percentage gains since April 9. The S&P 500 and Nasdaq are each less than 2% away from their early September records, while the Dow is about 4% below its February high. "I've been speaking to investors for months and all the concerns about the Green New Deal, higher taxes, expansion of the Affordable Care Act—all of these things that you've heard—that now dissipates," said Brian Levitt, global market strategist at Invesco. And even as votes are still being tallied in a handful of swing states, he added that much of "the uncertainty of the elec-

tion is behind us, there is hope about medical breakthroughs and we know the [Federal Reserve] is going to be supportive." "Markets are forecasting an improving environment," he added. One of the unknowns in the weeks ahead will be the size of a fiscal stimulus package—the subject of much wrangling between both parties in Washington leading up to the election. Before Tuesday, many traders had been betting on a blue wave that would have likely created an easier path for ro-

bust stimulus to aid the country's wounded economy. Now, however, it is unclear how large or broad that might be. "What I've been asking myself in my own head—a question to which I don't have an answer—is whether, assuming a divided government, there is less likely to be a larger-in-size fiscal relief package because we know the two sides were quite different on the details," said Liz Ann Sonders, chief investment strategist at Charles Schwab. "What I wonder is how much of the negotiating and the digging the heels *Please turn to page B11*

Funds With a Theme Set Records

By Mischa Frankl-Duval

Investors poured money at a record clip into funds that track buzzy themes hoping to profit on ways Covid-19 will upend the economy. "Thematic" funds, which track trends such as cybersecurity, green energy and health technology, took in a record \$42 billion in the U.S. and Europe in the first nine months of the year. That is more than in any previous full calendar year, according to Morningstar data.

There is no single definition of what makes a fund "thematic," though generally they differ from traditional index ETFs and mutual funds by investing in stocks that cut across geographies and sectors. They go after companies that benefit from broad changes in society such as digitization, adoption of clean energy, or aging populations.

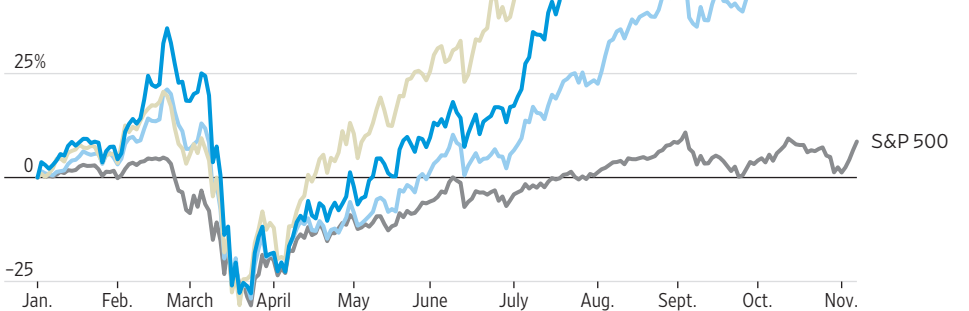
Some of the most popular among them were funds that concentrate on themes that have done well in the pandemic, especially digital businesses.

The actively managed **ARK Innovation ETF** has taken in more than \$5 billion this year so far, and risen around 95%. FactSet data show. The fund invests in companies it believes will benefit from growth in fields including genomics and internet services. It holds stakes in genetic testing company Invitae Corp, workplace communications platform Slack Inc. and 2U Inc., a company that helps universities offer online degree programs. "Some of these long-term themes that were generally accepted for the future have been sped up due to the pandemic as a large percentage of the global population is working from home and staying at

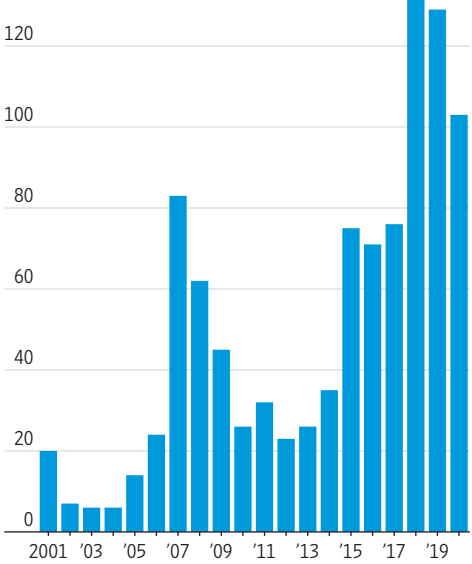
home," said Todd Rosenbluth, head of ETF and mutual fund research at research firm CFRA. In Europe, the Allianz Global Artificial Intelligence fund has climbed around 50%, and had pulled in more than \$1.3 billion by the end of September, Morningstar data show. It holds shares of companies that have benefited from stay-at-home orders, such as Roku Inc., which

makes streaming-media devices, and cloud-communications company Twilio Inc. Most of the money in U.S. thematic products is in passive funds that mimic the returns of custom indexes. In Europe, far more money is in actively managed thematic *Please turn to page B11*

Share-price and index performance this year

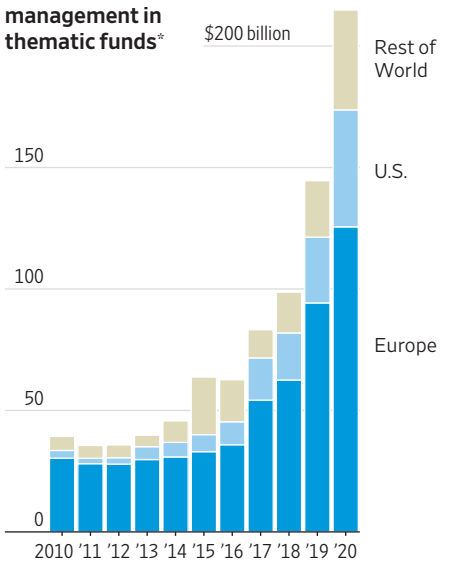


Global thematic fund launches*



*Note: 2020 data as of end of September
Sources: FactSet (stock performance); Morningstar (fund launches, assets under management)

Assets under management in thematic funds*



Alibaba Rethinks Beijing Regulatory Climate

By Liza Lin
And Xie Yu

It was supposed to be a triumphal day for **Ant Group Co.** and its former parent, **Alibaba Group Holding Ltd.**, marking the stock-market debuts of China's biggest financial-technology company.

Instead, the day ended with little fanfare as Alibaba posted its quarterly earnings and said little to address the halt of its financial affiliate's initial public offering.

Ant's shares had been scheduled to start trading in Shanghai and Hong Kong on Thursday, and many investors were expecting them to soar. The company had been on track to raise at least \$34.4 billion after its dual IPOs were vastly oversubscribed, earning a market valuation of more than \$300 billion upon its listings. Alibaba holds a 33% stake in Ant, which grew out of a payments business called Alipay that started within Alibaba back in 2004.

Ant has often referred to itself as a technology company rather than a financial one. As it prepared to go public, regulators began to target the company's fast-growing microloan business and are planning to



Ant grew out of a payments business called Alipay that started within Alibaba in 2004. Alipay's QR code on display at a repair shop.

introduce rules that could force Ant to put up billions of dollars to continue lending activities. "Alibaba is actively evaluating the impact on our business in response to the recently proposed changes in the fintech regulatory environment and will take appropriate measures accordingly," Chief Executive Daniel Zhang said on a call to discuss Alibaba's earnings Thursday. Late Tuesday, the Shanghai Stock Exchange suspended Ant's IPO after a meeting that controlling shareholder Jack Ma and two top Ant executives

had with regulators on Monday. The exchange said the company might not meet its listing requirements after changes in the financial-technology regulatory environment. Ant also suspended a Hong Kong listing that was supposed to take place concurrently with its debut on the Science and Technology Innovation Board, also known as the STAR Market. On Thursday evening, Ant told investors that had sent funds for the \$17.2 billion Shanghai leg of its IPO that they would get their money back in the coming days. The

company said it would also re-evaluate whether to try again to go public within the validity period of listing approval it earlier got from China's securities regulator. The China Securities Regulatory Commission on Oct. 21 gave Ant a green light to list its shares on the STAR Market. Such approvals are typically valid for a year. A spokesman for the regulator said the decision to suspend Ant's IPO was made to stop the company from rushing to list when there could be major changes in regulations. It said this would protect the interests of domestic and foreign investors. On Thursday, Alibaba, China's most valuable technology company, reported that net income attributable to ordinary shareholders fell 60% to 28.8 billion yuan, equivalent to \$4.2 billion, in the three months to September from a year earlier because of a gain from an equity increase in Ant last year. Excluding this gain, net income would have grown by 44% from a year earlier.

Alibaba said its sales rose 30% to 155.1 billion yuan, in line with what analysts were expecting as the coronavirus pandemic has boosted online shop- *Please turn to page B2*

Antitrust Lawsuit Challenges Visa Deal to Buy Plaid

By Brent Kendall
And AnnaMaria Andriotis

The Justice Department filed an antitrust lawsuit Thursday that seeks to block **Visa Inc.'s** \$5.3 billion deal to acquire **Plaid Inc.**, a key player in the financial-technology space.

The department brought the case in a Northern California federal court, alleging the deal would eliminate the nascent but significant competitive threat that Plaid poses to Visa in the online debit market. The acquisition would allow Visa to unlawfully maintain a monopoly in online debit, leading to higher prices, less innovation and higher entry barriers for online debit services, the department alleged.

"If allowed to proceed, the acquisition would deprive American merchants and con-

sumers of this innovative alternative to Visa," said Assistant Attorney General Makan Delrahim, the department's antitrust chief.

"American consumers and business owners increasingly buy and sell goods and services online, and Visa—a monopolist in online debit service—has extracted billions of dollars from those transactions," Mr. Delrahim said.

A Visa spokesman said the lawsuit is "legally flawed and contradicted by the facts...The combination of Visa and Plaid will deliver substantial benefits for consumers seeking access to a broader range of financial-related services, and Visa intends to defend the transaction vigorously."

"Visa's business faces intense competition from a variety of players—but Plaid is not one of them," the spokesman *Please turn to page B2*

Uber Reports a Loss As Crisis Hurts Rides

By Preetika Rana

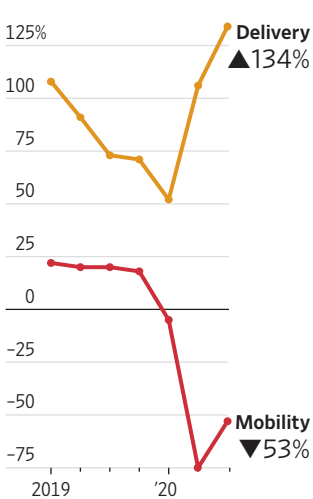
Uber Technologies Inc. posted another big loss as the coronavirus pandemic continued to batter its core ride-hailing business, though its shares rose for a second straight day on the back of a regulatory win in California.

Gross bookings for Uber's rides declined 53% year-over-year in the three months that ended Sept. 30, the San Francisco-based company said after markets closed on Thursday. That was better than the previous quarter, when rides were down 75%.

Food delivery has been Uber's lifeline during the pandemic. Bookings at the delivery arm, Uber Eats, more than doubled year-over-year and advanced 23% from the previous quarter. But the uptick wasn't enough to offset decreases elsewhere, resulting in a 10% decline in overall bookings. Revenue dropped 18% to \$3.13 billion.

Net losses for the period narrowed to \$1.09 billion compared with \$1.16 billion a year ago, in part because of aggres-

Uber's gross bookings, change from previous year



Source: the company

sive cost cuts this year. Uber has shed roughly a quarter of its staff during the coronavirus pandemic.

In February, Chief Executive Dara Khosrowshahi vowed to make Uber profitable on an adjusted basis before interest, taxes, depreciation and amortization by the end of the year. *Please turn to page B5*

INSIDE



AUTOS

GM posts a \$4 billion profit as it rebounds from coronavirus-related losses. **B2**



RESTAURANTS

Fast-food outlets' bet on breakfast fare goes bust as people work from home. **B3**

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Alibaba Reviews Strategy

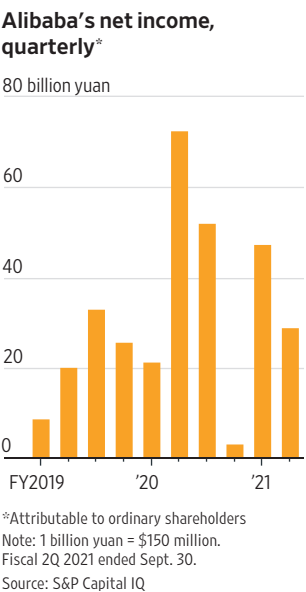
Continued from page B1 ping. Alibaba said sales from its core commerce segment—by far Alibaba's most important business line, accounting for more than 80% of revenue—rose 29% to about 131 billion yuan.

Alibaba is often seen as a barometer for Chinese consumer spending as it runs two of China's most popular online shopping sites.

Alibaba uses Ant's payment network Alipay on its e-commerce platforms to facilitate online transactions. Alibaba had more than one billion users as of June, according to Ant's IPO prospectus.

Many Chinese shoppers also use Ant's microlending services to purchase products on Alibaba's retail websites.

For investors watching Alibaba's online retail business, this quarter is seen as a more subdued and uneventful one, as



it is sandwiched between the midyear and end-of-year periods, when popular China online shopping events take place, said Steven Zhu, an analyst at research firm Pacific Epoch. Mr. Zhu said Alibaba had been one of the biggest beneficiaries of the pandemic, as Chinese consumers started moving many of their planned purchases online. The one area where Alibaba is under duress is its food-delivery business.

Lawsuit Blocks Visa Plaid Deal

Continued from page B1 man added.

Plaid declined to comment. The Justice Department had been scrutinizing the deal since early this year. The Wall Street Journal reported last week that the transaction was facing legal jeopardy, with the department making preparations for potential litigation.

The case comes as the department is placing more emphasis on antitrust scrutiny of the financial sector. Recent cases also show the department increasing its focus on protecting future competition, even in circumstances where two companies aren't currently major head-to-head rivals.

The lawsuit adds another major antitrust case to the department's portfolio. Last month, the department filed a long-awaited case against Alphabet Inc.'s Google, alleging the company was unlawfully preserving a monopoly in search and search advertising. Google denies the allegations.

Visa is the largest U.S. card network, accounting for the largest dollar amount of credit, debit and prepaid transactions. It accounted for

about 70% of debit and prepaid transactions during the first half the year, according to the Nilson Report, a trade publication.

Online debit payments, meanwhile, have been growing during the coronavirus pandemic as more people shift to shopping from their homes rather than in stores.

Plaid provides the technological infrastructure underpinning an array of next-generation financial apps, including Venmo, the digital money-transfer service owned by PayPal Holdings Inc. It has been viewed by fintech companies and merchants as a platform that could one day enable consumers to make purchases without having to rely on debit and credit cards, instead allowing for payments to be made directly from a consumer's bank account to a merchant's account.

The San Francisco-based startup, which currently doesn't operate a payments network, has said it provides connections between more than 11,000 banks and financial-services companies and more than 200 million consumer accounts.

The Justice Department lawsuit alleges that Plaid is planning to create an alternative payments platform that wouldn't rely on debit cards—or Visa's network. That new platform would mean lower costs for merchants, who could pass along their savings to consumers, the department said, adding that Plaid's existing connections to banks and

consumers made it uniquely positioned to overcome barriers to entry in the payments space.

Visa's concerns about Plaid underpinned its decision to buy the company and pay a large revenue multiple for it, the lawsuit alleges. The government said Visa's CEO described the deal as an "insurance policy" to neutralize a threat to the company's debit business. The lawsuit quoted another executive who in 2019 compared Plaid to an island "volcano" whose current capabilities are just "the tip showing above the water" and warned that "[w]hat lies beneath, though, is a massive opportunity—one that threat-

The DOJ is placing more emphasis on antitrust scrutiny of the financial sector.

ens Visa."

The executive allegedly drew a picture of this financial volcano, which the department included in its legal complaint.

As part of its research on Plaid, Visa learned that the startup had plans to roll out a money-movement business by the end of 2021, according to the lawsuit. Plaid also considered charging merchants significantly less for certain components of its payment service than they pay to ac-

BUSINESS & FINANCE



The company said it will expand its truck production in Canada to meet demand in North America. A display at an auto show in China.

GM's Profit Shows Rebound From Covid-Related Losses

By MIKE COLIAS

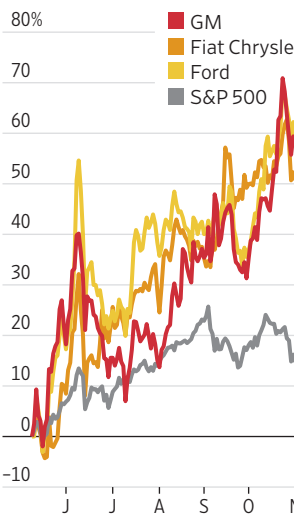
General Motors Co.'s efforts to crank up production of pickups and other lucrative models drove a \$4 billion profit in the third quarter, the latest automotive company to rebound from earlier Covid-19-related losses, even as the pandemic worsens.

The car business has mounted a striking recovery since U.S. auto plants were idled for several weeks last spring. Auto makers have managed to keep their factories bustling without major pandemic-related disruptions, while demand for new vehicles has come back stronger than analysts predicted when the crisis hit.

GM said Thursday net income rose 74% over the same quarter in 2019, when a bruising 40-day strike led by the United Auto Workers union halted work at the company's U.S. factories, denting earnings.

Adjusted pretax profit was \$5.28 billion in the third-quarter of 2020, or \$2.83 earnings a share. The results blew past analysts' expectations of \$1.38 a share, according to FactSet, with GM crediting the strong

Share and index performance



quarter in part to cost-cutting moves taken this spring as the pandemic took a toll on business. GM's stock rose more than 5% on Thursday.

Chief Executive Mary Barra said Thursday the company is looking to restore its dividend mid-2021, barring any major changes in economic conditions. Like other car companies, GM suspended its divi-

dend this spring to preserve cash and weather Covid-related disruptions.

Operating margins in North America, one of GM's most important regions, hit 15% for the quarter, surpassing those posted by rivals Ford Motor Co. and Fiat Chrysler Automobiles NV in the region and reflecting the strength of the U.S. auto market recovery.

In an effort to further capitalize on strong demand for its high-margin pickups, GM said Thursday it would boost truck production in North America by building full-size models in Canada. The expansion is part of a tentative labor deal struck earlier in the day with Unifor, the Canadian union representing workers at GM factories in the country.

Still, executives cautioned results could moderate in the fourth quarter, as is typical in the back end of the year, but also due to unknowns involving the economy and the pandemic. The number of new Covid-19 infections is rising fast in the industrial Midwest, the industry's manufacturing base. GM, which suspended full-year guidance earlier this

year, didn't offer a new outlook for 2020.

"We are hopeful we'll continue to have the strong recovery we've had," Ms. Barra said on a call with reporters Thursday. But, she said, there are still a lot of moving pieces right now, particularly with a relief package under discussion in Congress.

Auto makers are closely watching the election results because the outcome could have big implications for their businesses. Analysts say a Joe Biden administration could give the industry a boost by providing more certainty around trade and regulations as well as support of electric vehicles—a technology that companies including GM are already pursuing. If President Trump is re-elected, he is expected to continue to reduce fuel-economy rules and pressure car companies to expand U.S. manufacturing.

Ms. Barra said she doesn't believe a contested election would have a sizable impact on U.S. auto sales.

◆ Heard on the Street: Profit won't move investors..... B12

Toyota Raises Profit Estimate by \$8 Billion

By PETER LANDERS

TOKYO—Toyota Motor Corp. raised its full-year operating-profit estimate by nearly \$8 billion, adding its name to the list of big car makers benefiting from an upsurge in Chinese and American demand for vehicles.

Toyota said it expected an operating profit of ¥1.3 tril-

lion, equivalent to \$12.6 billion, in the year ending March 2021, more than doubling its previous estimate of ¥500 billion.

Top U.S. car makers all reported blockbuster results for the July-September quarter. General Motors Co. said Thursday it logged a \$4 billion profit for the quarter, driven by pickups and other lucrative models, as the in-

dustry continues its surprisingly quick recovery from pandemic-related shutdowns in the spring.

Toyota has been ramping up global production to meet higher demand in places such as China.

The company said retail sales of vehicles in China rose 24% in the July-September quarter over the year-earlier level to 510,000 units.

In its home market of Japan, the top six bestselling models in October were all Toyota brands.

"We have recovered quite a bit," said Chief Financial Officer Kenta Kon, but he said concern remained about the worsening coronavirus situation in the U.S. and Europe. "We have to watch the impact of the corona situation and lockdowns," Mr. Kon said.

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BUSINESS NEWS

Disney’s ESPN Cuts Jobs By 10%

By Benjamin Mullin

Walt Disney Co.’s ESPN is reducing its workforce by about 10% through layoffs and attrition of employees, including remote workers, according to a person familiar with the matter.

The cuts come as ESPN and Disney deal with challenges posed by the pandemic, which resulted in lost ad revenue from canceled or delayed sporting events. Disney’s theme parks, filmed entertainment and cruise divisions all suffered this year as the pandemic stymied travel and moviegoing.

ESPN is eliminating about 500 jobs by laying off 300 employees and closing 200 open positions, according to a memo sent to staffers from ESPN President Jimmy Pitaro. Mr. Pitaro said in his memo that the cuts were the result of a reorganization plan focused on digital streaming that predated the pandemic but was accelerated in recent months. “The speed at which change is occurring requires great urgency, and we must now deliver on serving sports fans in a myriad of new ways,” Mr. Pitaro wrote in the memo, a copy of which was seen by The Wall Street Journal.

The reorganization will affect people who produce games for ESPN on the road, the person said, in addition to some on-camera talent whose contracts won’t be renewed. ESPN paid less for production costs during the pandemic, in part because it produced more games from network headquarters in Bristol, Conn.

Disney said ESPN increased its profitability in the most recent quarter from a year earlier because the network didn’t pay as much for sports-rights fees and received more affiliate revenue—fees paid by cable and satellite companies to show ESPN programming.

Fast Food’s Morning Bet Goes Bust

By Julie Wernau

The pandemic is sinking one of the fast-food industry’s biggest bets: breakfast.

Once the best hope for increasing sales, mornings are now the slowest time of day at fast-food restaurants, as many Americans work and attend school from home. Even as fast-food sales have recovered in recent weeks from the early months of the coronavirus pandemic, breakfast has trailed behind.

Breakfast-dependent chains including **Dine Brands Global** Inc.’s IHOP and **Dunkin’ Brands Group** Inc. are closing hundreds of restaurants. **McDonald’s** Corp. and **Restaurant Brands International** Inc.’s Burger King have said sales of breakfast items remain weak. The operator of Friendly’s, an East Coast diner chain, has filed for bankruptcy protection.

The trouble at breakfast is one of the most significant problems for a fast-food industry designed to cater to consumers on the go. With Covid-19 cases climbing again across much of the U.S., many consumers are likely to keep eating breakfast at home—and they are finding plenty of options.

Sales of packaged breakfast items including cereal and ground coffee have risen in recent months after years of tepid sales. Some food manufacturers said they are trying to capitalize on the trend.

“We are in a position to own breakfast,” said Carlos Abrams-Rivera, U.S. president at **Kraft Heinz** Co., which makes Oscar Mayer bacon, Maxwell House coffee and Philadelphia cream cheese.

For years, fast-food chains poured money and resources into breakfast. IHOP planned to introduce a fast-casual brand called Flip’d to serve pancakes to people on the go. And other chains were focused on menu items that could conveniently fit in cup holders.

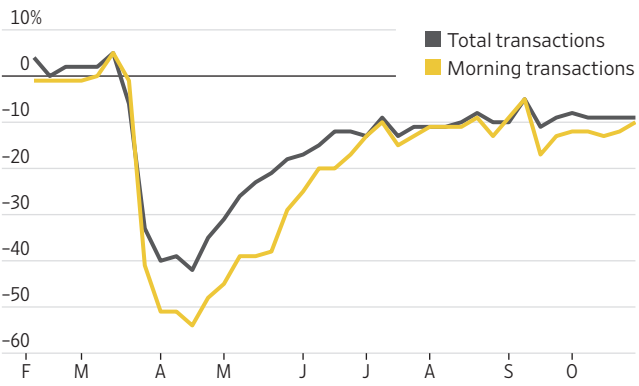
Vinald Francis, a 38-year-old medical-illustration and visual-design specialist in Rhode



Caitlin Ochs/Reuters

Mornings are now the slowest time of day at fast-food restaurants as many Americans work from home.

Number of transactions at quick-service restaurant chains, change from a year earlier



Source: NPD Group

Island, said he used to stop for breakfast at McDonald’s or Burger King multiple times a week on his morning commute. Now he eats toast or yogurt at home. “My whole diet has kind of changed,” he said.

Chris Kempczinski, chief executive of McDonald’s, said in July on an earnings call that breakfast has been the biggest drag on sales during the pandemic. New offerings from

competitors betting on breakfast were adding to the pressure, he said.

Some of those bets appeared to be working before the pandemic closed dining rooms across the country. In early March, **Wendy’s** Co. introduced a breakfast menu nationally, emphasizing sandwiches with real eggs, including the Breakfast Baconator. McDonald’s and Burger

King were investing in new menu items and marketing focused on breakfast, including Burger King’s Croissan’wich. Breakfast transactions for fast food during one week in March were up 5% from a year earlier, according to the market-research firm NPD Group, a big increase from recent years’ pace.

Then came widespread lockdown orders, and millions of Americans stopped commuting as they shifted to remote work. By mid-April, breakfast transactions were down 54% from a year earlier, worse than the 42% drop for restaurant transactions overall. Breakfast transactions have since recovered some, running 10% below last year’s levels for the week ending Oct. 25, according to NPD Group. That trails improvement in fast-food transactions overall.

Fast-food chains said some of the commuters they planned to serve may never come back. Some, including McDonald’s, are hoping to sell to families picking up breakfast at the drive-through. The company is offering a deal this week on its new breakfast pastries to draw consumers away from the breakfast table. Dunkin’ and IHOP said that even as they close some stores, they hope to open others in places where breakfast sales can take off.

Other chains are looking beyond breakfast. Operators have added back breakfast items—such as the Cheesy Toasted Breakfast Burrito and Cinnabon Delights—at only about half of **Yum Brands** Inc.’s 7,000 Taco Bell restaurants in the U.S. Restaurant Brands said it is improving the quality of the food on the lunch menu as well as breakfast at its Tim Hortons chain. IHOP introduced an “IHOPPY hour” in September, the first time it has used discounts to draw customers in the afternoon. The menu includes traditional breakfast items such as eggs and pancakes as well as the usual burgers and fried chicken.

Luigi Ricchio, 47, a senior webcast producer in the Chicago area who used to grab McDonald’s breakfast by his office, said he has been going out to get breakfast food at irregular times of day just for a break from being at home. “You can go get soup at 11 a.m. and you can get an egg-and-cheese sandwich at 3 p.m.,” he said.

Wendy’s stuck with its breakfast rollout during the pandemic. Breakfast now represents about 7% of its sales, in the range of what the company expected before the pandemic began. The company said it is planning more advertising about its breakfast menu to gain ground after competitors have pulled back.

Todd Penegor, president and chief executive, said on an earnings call this week: “We are confident that we can continue to grow this business into the future as more and more people fall back into their daily routines.”

—Annie Gasparro contributed to this article.



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Revenue jumped 74% to \$19.27 billion, helped by the newly acquired Sprint customer base. A store in New York's Times Square.

T-Mobile US Picks Up Pace Of Its Cost-Cutting Program

By Drew Fitzgerald

T-Mobile US Inc. continued to add customers in the third quarter and told investors the cost-cutting plan it launched in the wake of its Sprint Corp. takeover is running ahead of schedule.

The Bellevue, Wash., company said its recent merger with rival Sprint will yield \$1.2 billion of annual savings next year. That figure included more than \$600 million from avoided network expenses and about \$500 million from lower costs, mostly made up of savings from shut Sprint shops.

T-Mobile ended the Sept. 30 quarter with 689,000 more postpaid phone subscribers, adding to its share of a valu-

able market for customers billed for monthly service after it is provided. It also reported a net gain of 56,000 prepaid subscribers, most of whom use its Metro brand.

The company also added 1.29 million devices other than phones to its network in the third quarter as school districts doled out wireless hotspots to students during the coronavirus pandemic. The flood of new connections pushed T-Mobile's total customer base to 100.4 million. The company counts any wireless device with its own mobile identifier as a single customer.

Marketing chief Matt Staneff said remote classes triggered a surge in demand for broadband connections during the pan-

demic, though the company only counted what it considered long-term accounts among the customer additions. School districts in California and New York were among the first to provide the cellular hotspots to

The company added 1.29 million devices other than phones to its networks.

students without enough internet bandwidth at home.

"We have the capacity in the network to handle all this traffic," Mr. Staneff said. "The edu-

cation system was caught off guard and will never want to be that way again."

In the market for smartphone data, which still drives most cellular industry profits, rival **Verizon Communications** Inc. said it added 283,000 postpaid phone connections in the third quarter. **AT&T** Inc. posted a net gain of 645,000 postpaid phone customers.

For the third quarter, T-Mobile reported a profit of \$1.25 billion, up from \$870 million in the year-ago period before it had acquired Sprint. The result translated to a \$1 per-share profit, down from \$1.01 a share a year earlier when there were fewer total shares outstanding. Revenue jumped 74% to \$19.27 billion.

Subscription Gains Lift Publishers of Journal, Times

By Jeffrey A. Trachtenberg and David Marcelis

The publishers of The Wall Street Journal and New York Times posted higher earnings for the September quarter, as subscription-revenue growth was offset by sharp declines in advertising partly caused by the coronavirus pandemic.

News Corp., which owns the Journal, **HarperCollins Publishers** and news organizations in the U.K. and Australia, swung to a profit of \$34 million in its latest quarter, while **New York Times Co.** said net profit more than doubled to \$33.6 million.

"News Corp has started the fiscal year strongly, with higher revenue in many of our segments during the first quarter, and a 21% increase year-on-year in profitability, despite the disruptive economic consequences of Covid-19," Chief Executive Robert Thomson said.

The pandemic has affected many news-media companies, with print advertising and single-copy sales falling sharply. Both the New York Times and News Corp have been able to weather the storm by putting greater emphasis on a digital-subscription strategy.

Dow Jones & Co., the News Corp unit that publishes the Journal, said digital circulation revenue accounted for 63% of its circulation revenue for the quarter, while the Times said digital subscriptions represented a larger share of revenue than print for the first time.

The companies' flagship publications have signed up new subscribers at a fast clip in recent quarters. The Journal averaged more than 2.35 million digital subscribers in the quarter, up from over 2.2 million in the June quarter. Including the print edition, the Journal averaged 3.1 million

subscribers in the period.

The Times said it ended the quarter with approximately 6.9 million total subscriptions. Its 393,000 net new digital subscriptions—275,000 for its core news offering and 118,000 for lower-cost digital products such as cooking—followed an increase of 669,000 net new digital subscribers a quarter ago.

New York Times Chief Executive Meredith Kopit Levien said the Times gained two million digital subscribers over the past year. "The news cycle certainly played a role," she said. In a call with analysts Thursday, she expressed confidence that the news organization would continue to grow even if the news cycle changes.

Overall, the New York Times's revenue declined 0.4%

2.35M
Average digital subscribers to the Journal in the quarter

to \$426.9 million, with subscription revenue rising 13% to \$301 million. Advertising revenue fell 30% to \$79.3 million, with print advertising dropping 47%.

News Corp posted revenue of \$2.12 billion, down 9.5% from a year earlier, primarily due to the loss of contributions from News America Marketing, its coupon business which was sold this year.

News Corp's book-publishing and digital real-estate services divisions—whose properties include HarperCollins Publishers and the operator of realtor.com—also performed strongly, each posting a 45% increase in segment earnings to \$71 million and \$119 million, respectively.

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BUSINESS NEWS

Restructuring Pros Thrive as Covid-19 Causes Defaults

By Aisha Al-Muslim

The business of restructuring troubled companies is thriving during the Covid-19 pandemic, driving revenue higher at several publicly traded investment banks and other financial advisers as their clients default on debt and seek concessions from creditors.

Investment banks including **PJT Partners Inc.** and **Houlihan Lokey Inc.** notched quarterly revenue records in the first nine months of 2020, their earnings show. In some instances, the boom in restructuring and bankruptcy work partially offset revenue

59%

Increase in advisory revenue at PJT Partners

losses in other areas, such as mergers and acquisitions.

“We expect that by the time our full-year results are recorded, it will be clear that restructuring...provides a valuable hedge against periods of economic weakness and reduced M&A activity,” Scott L. Bok, chairman and chief executive of investment bank **Greenhill & Co.**, said during an earnings conference call Monday.

For Greenhill, increased restructuring activity in the early stages of the pandemic helped offset the negative impact on its global M&A and capital advisory activity. “Continuing economic weakness in numerous sectors suggests restructuring activity will remain elevated,” Mr. Bok said.

The first wave of restructurings started in March,

mostly affecting companies that took revenue hits during the coronavirus lockdowns. But as the pandemic drags on, more businesses are in danger of a forced restructuring or bankruptcy filing, even as fewer major companies default on their debt than investors feared just months ago.

“The damage done by this economic crisis is going to be long-lasting,” Paul J. Taubman, PJT Partners’ chairman and chief executive, told investors and analysts on an earnings call last week. “There’s a limit to how much debt you can put on to keep a challenged business operating indefinitely, and at some point those businesses, they need to be restructured.”

PJT Partners last week reported record results for both the third quarter and the nine months ended Sept. 30, boosted by soaring revenue in its global restructuring business. Its advisory segment revenue through September rose 59% from a year earlier to \$611.5 million.

Houlihan Lokey reported last week that for the six months ended Sept. 30, revenue at its financial-restructuring business rose 37% to \$214 million from a year earlier.

Other restructuring advisers that recorded solid 2020 results include **FTI Consulting Inc.**, **Evercore Inc.** and **Moelis & Co.**

In the first nine months, FTI’s revenue in the corporate finance and restructuring segment rose 27% to \$690.3 million from a year earlier. The growth primarily stemmed from stronger demand and higher billing rates for restructuring services, driven in part by Delta Partners, a consulting and investment banking firm focused on telecom, media and technology that FTI acquired in July.

Peloton, Pizza, Games Gain

Consumers redeploy money usually spent on travel and entertainment

By Kimberly Chin
And Sarah E. Needleman

Consumers holed up during the coronavirus pandemic redirected their travel and entertainment dollars toward pizza, videogames, home-exercise equipment and luxury goods, according to several companies that provided business updates Thursday.

At-home fitness company **Peloton Interactive Inc.** said its revenue more than tripled to \$757.9 million in the September quarter, while pizza maker **Papa John’s International Inc.** reported 17% sales growth—the company’s strongest in nearly eight years. Videogame maker **Take-Two Interactive Software Inc.** posted surprise growth in net bookings and a larger profit on fewer new releases.

The pandemic accelerated the amount of time and money that people spent on videogames, said Strauss Zelnick, chief executive of “Grand Theft Auto” publisher **Take-Two**. He expects a decent portion of the industry’s larger and more engaged user base to stick around after the health crisis, as new and returning players increasingly turn to games to socialize with friends and family.

“People are leaving their homes, they are going back to work, they are going out and have been for a few months. And yet, our numbers continue to boom,” Mr. Zelnick said.

Consumers are also watching more television. Streaming-video provider **Roku Inc.** said its total revenue increased 73% to \$452 million. “The ongoing Covid-19 pandemic continued to accelerate the shift of viewing away from traditional linear and pay TV,” the company said in its letter to shareholders Thursday, referring to the disease caused by



Peloton said high demand for its products has resulted in unacceptably long wait times.

the new coronavirus.

Peloton said high demand for its products since the beginning of the pandemic has resulted in “unacceptably long wait times, well beyond our expectations.” The company said it is making investments to enable faster deliveries but that it will be operating under supply constraints for the foreseeable future.

The company also said lead times for its most popular exercise bicycle are now four to six weeks. “If you look back since the pandemic started, that is the shortest lead time since April,” said Peloton President William Lynch. Peloton shares, which have more than quadrupled this year, fell 7% in after-hours trading.

Peloton said the high demand for its products has resulted in a substantial backlog of deliveries and “unacceptably long wait times, well beyond our expectations.” The company said it is making investments to scale faster but that it will be operating under supply constraints for the foreseeable future. Peloton shares, which have more than

quadrupled this year, fell 7% in after-hours trading.

In contrast, companies connected with travel and tourism continued to report sharp declines in their businesses Thursday. Year-over-year revenue fell 95% at entertainment and venue operator **Live Nation Entertainment Inc.**, 78% at casino company **Wynn Resorts Ltd.** and 48% at online-travel agency **Booking Holdings Inc.** **SeaWorld Entertainment Inc.** said its attendance declined 80% in the quarter, hurt by fewer operating days and capacity curbs.

“Despite these limitations, attendance improved throughout the quarter,” said Marc Swanson, SeaWorld’s interim chief executive.

Many fewer people are going to the movies as pandemic-driven theater closures have disrupted release schedules and depressed revenue throughout Hollywood.

Theater operator **Cinemark Holdings Inc.** reported 1.9 million patrons during the quarter, compared with 73.3 million a year earlier. Cinemark this summer began trying to

lure people back to its theaters by allowing people to rent out its spaces for private watch parties. Since launching the initiative four months ago, Cinemark has sold nearly 50,000 private watch parties, and more than 600,000 people have attended, Chief Executive Mark Zoradi said Thursday on a call with analysts.

Movie and television studio **Lions Gate Entertainment Corp.** reported a 37% decline in motion-picture revenue. The studio also plans to lay off about 15% of the 450 workers employed in its film group, according to a person familiar with the plans.

Consumers are shifting the money that they usually spend on entertainment elsewhere. **Capri Holdings Ltd.**, the parent company of luxury brands Versace, Jimmy Choo and Michael Kors, reported sales of \$1.1 billion, down 23% from a year earlier but improved from the 67% comparable decline in the prior quarter. The company attributes some of the improvement to homebound consumers who are treating themselves to luxury goods.

Ride-Share Drivers Weigh In on Victory Of Gig-Economy Companies in California

Ride-share and food-delivery companies won passage of a California ballot measure on Tuesday that allows them to treat drivers and delivery workers as freelancers. The victory exempts them from a state law mandating companies with flexi-

ble workers provide benefits like a minimum wage, paid sick leave and unemployment assistance.

The companies argued it was unrealistic to extend employee-like benefits to those individuals since many worked for them just a few hours a week. The

companies mounted the most expensive ballot measure in California, raising nearly \$200 million to encourage people to vote in their favor. Here’s what two drivers had to say about the vote in California.

—Preetika Rana



MARISSA LESHNOV FOR THE WALL STREET JOURNAL (2)

‘I used to work for a company, if I asked them for one month vacation, they said no, but now I can have a two month vacation, three months vacation; that’s why I like it.’

Johnny-Sant Shulpe, 53, driver for Uber and Lyft, San Francisco



‘This is the only way that I can support my family. ... if it is independent contractor, if it is employee, I am happy with that, but we need our rights.’

Muhammad Naeem Hamid, 33, driver for Uber and Lyft, San Francisco

Uber Posts A Loss for Quarter

Continued from page B1

As the public-health crisis deepened, however, he pushed reaching that milestone to the end of next year. The company reiterated its profitability target on Thursday.

Uber’s adjusted loss excluding those items widened to \$625 million for the third quarter from a loss of \$585 million in the same period a year ago.

The results were in line

with Wall Street’s already muted expectations. Analysts surveyed by FactSet had forecast on average a net loss of \$1.01 billion and adjusted Ebitda loss of \$600 million.

Uber won one of its biggest regulatory battles earlier this week. The ride-hailing giant combined forces with companies including Lyft Inc. and DoorDash Inc. to mount California’s costliest ballot-measure, called Proposition 22, which asked voters to exempt them from a state law seeking to reclassify their drivers as employees.

California lawmakers had argued that drivers should be entitled to employee-like benefits such as a minimum wage, paid sick leave and unemployment assistance.

The unprofitable companies opposed a reclassification, saying it would force part-time workers to conform to prescheduled shifts, robbing them of the flexibility they currently enjoy.

The reclassification would have upended Uber’s operations in its home state and set a precedent for other states challenging its business model.

As part of the campaign, Uber and others promised drivers some new protections, including health insurance for those who work 15 or more hours a week and accident insurance coverage on the job. State voters overwhelmingly supported the measure.

“That’s why, going forward, you will see us more loudly

advocating for new laws like Prop 22,” Mr. Khosrowshahi said, which preserves drivers’ flexibility while extending some benefits.

The U.S. market has dragged on Uber’s rides business as the pandemic kept people at home, with bookings down 60% year-over-year. Still, they climbed 75% from the previous quarter as some cities began to reopen.

Mr. Khosrowshahi said that New York City was leading the U.S. recovery and that riders there were increasingly traveling outside nonpeak hours.

Rides bookings in Europe, the Middle East and Africa fell 36% year-over-year.

Chief Financial Officer Brian Roberts cautioned that bookings in Europe could be

hit in the fourth quarter as Covid-19 cases surge across the continent and some countries impose new lockdowns.

Uber Eats lost \$182 million in the third quarter on an adjusted basis in the competitive food-delivery market, where profit has largely been elusive. But losses are narrowing, and the unit’s third-quarter loss was its best three-month performance since Uber went public last year.

The company said it expects margins to improve as the business merges with **Postmates Inc.** next year. Uber agreed to buy the smaller food-delivery rival in a \$2.65 billion all-stock deal in July.

Uber’s shares rose more than 2% Thursday to close at \$41.96.

AIG Profit Overcomes Pandemic, Disasters

By Leslie Scism

Insurance conglomerate **American International Group Inc.** posted a decline in third-quarter net income tied partly to a divested business, but the company’s operating profit increased despite higher storm and other catastrophe costs as well as losses related to the Covid-19 pandemic.

The New York company reported \$281 million in profit, down 57% from \$648 million a year earlier. Its so-called adjusted income, which is closely watched by Wall Street analysts because it excludes certain items judged nonrecurring, totaled \$709 million, up 40% from \$505 million.

The improvement in adjusted income came as the company booked estimated losses of \$605 million, before taxes, to pay claims from windstorms in the Americas and Japan, and wildfires on the West Coast.

It also booked \$185 million for claims related to Covid-19, the illness caused by the new coronavirus. Those are expected primarily for insurance the company sells to protect against travel cancellations.

AIG said its General Insurance unit, which is one of the world’s biggest sellers of property-casualty insurance, continued to show improvement in crucial profit metrics.

AIG Chief Brian Duperreault called the third-quarter results solid as the insurer continues “our journey to become a top-performance company.” It has set a goal of delivering the bigger profit margins that rivals typically post.

In June, **Carlyle Group Inc.** and **T&D Holdings Inc.** completed the acquisition of a majority interest in Fortitude Group Holdings from AIG. An entity called Fortitude Re is the reinsurer of more than \$30 billion of reserves for products AIG no longer sells. That transaction contributed to the year-over-year decline in net income.

BUSINESS NEWS

Japanese Farm Funds Risky Loans

Search for higher rates led savings from a rice operation to car renter before its bankruptcy

By CEZARY PODKUL
AND MEGUMI FUJIKAWA

Shogo Takemoto's family has tilled the rice fields of eastern Japan for more than 200 years. They stash their savings in an agricultural co-operative and borrow from it to help finance the farm's day-to-day operations.

But with interest rates near zero, the return on the loans is too little to keep the cooperative going. So it deposits Mr. Takemoto's savings with Japan's bank for farmers and fishermen, which sends the money overseas to earn a better yield.

That is how Mr. Takemoto became an indirect investor in car rental company **Hertz Global Holdings Inc.** before it declared bankruptcy in May. Among the owners of Hertz's debt was **Norinchukin Bank**, which owned bonds backed by pieces of loans to struggling companies like Hertz.

Later that month, the bank—founded nearly 100 years ago to serve the people who feed Japan—disclosed a staggering \$3.7 billion unrealized loss on such bonds and said it would pause further investments.

The loss, which has mostly been recouped as markets rebounded, was shocking for its size and because Norinchukin invested exclusively in triple-A rated bonds, which are supposed to be among the safest securities anywhere.

The stumble disrupted one of Wall Street's most lucrative trade routes—a steady flow of capital from yield-starved investors in Asia who turned to the U.S. to avoid the sting of zero interest rates at home. In doing so, they channeled their customers' savings into a boom for loans to some of America's riskiest corporate borrowers.

“One of the ironies of the global financial system is that a conservative institution managing the savings of Japanese fishermen and farmers ends up financing an increase in leverage among risky U.S. companies,” said Brad Setser, a senior fellow at the Council on Foreign Relations who tracks global capital flows.

Norinchukin invested in collateralized loan obligations, or CLOs. These debt funds are meant to give investors access to higher yields with little additional risk because they buy slices of hundreds of different corporate loans. Known as leveraged loans, these corporate



Shogo Takemoto, above, working at this family's farm in Easter Japan, deposited money in a bank that sent it overseas for a better yield.

loans finance risky borrowers. Because they are unlikely to all struggle at once, credit-rating firms have labeled most CLO debt triple-A, putting its risk on par with the U.S. government.

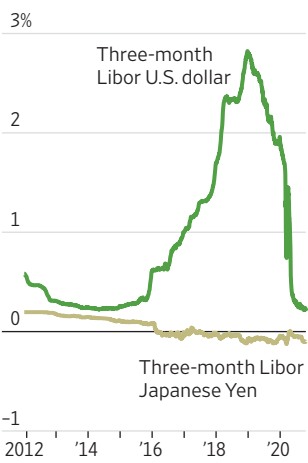
Norinchukin's CLO holdings, all rated triple-A, account for about 12% of its overall portfolio, financial filings show. The bank said that it has been more selective in its CLO investments in recent months. “Our [CLO] holdings have declined since last year as we carefully select our investment based on market conditions,” Norinchukin said in a statement.

Those holdings may no longer be as safe as their triple-A ratings would indicate. This spring, government-mandated shutdowns forced businesses of all kinds to suddenly close, eroding some of the benefits of diversification that underpin CLO ratings. One recent analysis of 95 triple-A rated CLO bonds found that all of them lost their pristine grades once their rating model was updated to reflect higher correlations of defaults among businesses.

“A triple-A CLO makes no sense in this market environment,” said Rod Dubitsky, a former Moody's Corp. analyst who conducted the analysis using Moody's-rated CLOs. An academic study published in October also concluded CLOs appear riskier than their ratings suggest.

The widening gap between interest rates in the U.S. and Japan left Japanese lenders in a tough spot. They could either

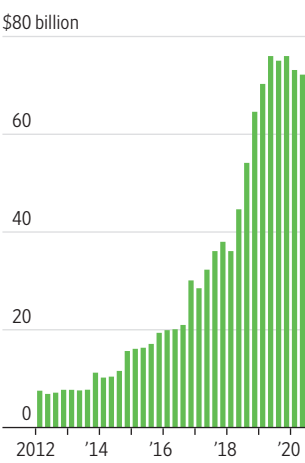
Interest-rate benchmarks in U.S. and Japan



Note: \$1=105 Japanese yen

Sources: Federal Reserve Bank of St. Louis (rates); Norinchukin Bank financial filings (CLO holdings)

Norinchukin Bank's holdings of collateralized loan obligations



invest locally and earn next to nothing, or go hunting abroad for yield. Many chose the latter option, but few had a bigger need to do so than Norinchukin.

In 2018, as the gap between key U.S. and Japanese interest-rate benchmarks widened to nearly 3 percentage points, Norinchukin vastly expanded its CLO investments. The bank added a net \$27 billion to its holdings, financial filings show. It also increased the number of CLO managers that it works with, industry sources say.

Today Norinchukin works with a who's who of the CLO industry. Its stable of CLO managers includes such firms as Apollo Global Management, Ares Management Corp., Neuberger Berman Group, Eaton

Vance Corp., Blackstone Group's GSO credit investment arm and First Eagle Alternative Credit, among more than a dozen others.

The coronavirus pandemic hit the CLO market quickly. In a matter of days in March, prices of hundreds of loans owned by CLOs plummeted as business closures took a toll on the economy.

Some CLOs went shopping for bargains. First Eagle, which runs a suite of CLOs known as Wind River, scooped up about \$10 million worth of a loan issued by Hertz just days before the car rental company filed for bankruptcy in May, trading disclosures show. The Wind River funds paid around 66 cents on the dollar for the investment.

Five months later, Hertz has obtained financing to carry itself through bankruptcy and its once-discounted loan is trading nearly at full face value, benefiting end-investors like Norinchukin, which owns pieces of the Hertz loan via several of First Eagle's CLOs.

Such buying-and-selling of loans—and the Federal Reserve's unprecedented support for corporate credit markets—made it easier for CLOs to weather the fallout created by the pandemic. Although thousands of businesses have filed for bankruptcy this year and swaths of loans have been downgraded, prices for investment-grade CLO bonds have mostly recovered, pricing data from Solve Advisors shows.

A Norinchukin spokesman said the bank held a ¥130 billion (\$1.24 billion) unrealized loss on its CLO portfolio at the end of June, down from the \$3.7 billion March-end figure it disclosed in May. At the time Norinchukin said it would pause making new investments as it re-evaluated its holdings. But it remains committed to staying in the market.

Mr. Takemoto, whose 50-hectare rice farm is in Japan's Ishikawa prefecture, said he didn't realize that his money traveled to Tokyo, the Cayman Islands, New York and on to Hertz. But he doesn't blame Norinchukin for sending his savings overseas.

“I think it is OK to make aggressive investments as part of a large portfolio,” he said.

Apollo Places Bet On Hertz's Car Fleet

By ALEXANDER GLADSTONE

Apollo Global Management Inc. is leading a \$4 billion bet on Americans' rising propensity to travel by car, agreeing to finance a planned refurbishing of **Hertz Global Holdings Inc.**'s aging vehicle fleet as the U.S. rental-car business rebounds.

Hertz, which is vying to reorganize itself in bankruptcy, said in a court filing Wednesday that it chose a financing package from several affiliates of the investment firm following a competitive process.

Insurance company **Athene USA Corp.**, which Apollo owns a minority stake in, plus other Apollo affiliates and investment funds, would underwrite the financing deal.

Apollo and Athene wouldn't be lending to Hertz directly but rather would effectively fund the purchase of new vehicles through a financing subsidiary before leasing them back to the company. Similar bonds, backed by Hertz's fleet of rental cars, had been deemed virtually riskless by ratings firms before Covid-19.

When the coronavirus pandemic hit the U.S. in force, businesses and consumers canceled travel plans and used-car prices cratered, forcing Hertz into bankruptcy and stoking fears of losses on these vehicle-backed debts.

Used-car prices have since snapped back and even hit record levels in August, helping rental companies such as Hertz that regularly turn over their fleets and are sensitive to changes in resale values.

As more Americans head back to the road, bookings at rental agencies have also begun to recover. Business travelers, wary of air travel and ride-hailing apps, have turned increasingly to renting vehicles. Given the increased customer demand, Hertz said it needs the \$4 billion deal to replenish its fleet.

The proposed loan from Apollo requires the approval of the U.S. Bankruptcy Court in Wilmington, Del. Apollo has additional investments in Hertz, including a piece of a \$1.65 billion loan carrying the company through bankruptcy as well as some other senior debt.

Hertz filed for chapter 11 bankruptcy protection in May with nearly \$19 billion of debt, after a plunge in ridership due to the pandemic.

—Nora Naughton contributed to this article.

Iberdrola Doubles Down on Green Vow

By SARAH McFARLANE

Spain's **Iberdrola SA** said it would spend €75 billion, equivalent to \$88 billion, over the next five years to double its renewable-power capacity and capitalize on the shift to green energy, highlighting how some of Europe's lesser-known utility companies have become major players in the energy industry.

Iberdrola is the world's second-largest renewable-energy producer by capacity—behind Italy's Enel SpA—having been an early mover in wind and solar power. That has given it an edge amid increasing demand for low-carbon energy, and boosted its appeal to investors, with its market cap exceeding that of oil major BP PLC.

Global electricity use is expected to rise because of innovations like electric vehicles, with the International Energy Agency expecting renewables to provide 80% of the growth in demand through to 2030.

Iberdrola said Thursday the planned investment would allow it to increase its renewable capacity to 60 gigawatts by 2025 from 32 gigawatts in 2019. That growth will mostly come from solar and wind power projects.

About a third of its renewables budget is earmarked for the U.S., with the company also planning to spend in Spain and the U.K.

The investment pledge comes as Iberdrola is rapidly expanding, partly through acquisitions. In October, it agreed to pay \$4.3 billion to purchase New Mexico electricity company PNM Resources Inc., its eighth deal this year. The acquisition supports the com-



Iberdrola plans to build more network infrastructure to support the growth in renewables.

pany's international efforts: Over 60% of its earnings are generated overseas, having shifted from being almost exclusively Spain-focused 20 years ago.

This year has seen the rise of clean-power companies—including Iberdrola, Enel and, in the U.S., NextEra Energy Inc.—into the upper echelons of the world's most valuable energy companies. That has come as major oil companies grapple with the fallout from the pandemic, which decimated demand for crude and tanked prices. There is also broader support from companies, investors and governments for low-carbon energy.

The pandemic could accelerate the shift toward renewables and other low-carbon energy as

governments include support for those types of initiatives as part of economic rescue packages. The European Union committed to spending around a third of its €750 billion recovery fund on addressing climate concerns.

Places where Iberdrola operates are showing a clear commitment to the energy transition, including the European Union, U.K. and U.S., said Chief Executive Ignacio Galán.

“Only those who have already been working for years ahead of this moment will be ready to take this opportunity. In our case, in just two years we have increased by 75% our renewable pipeline,” said Mr. Galán, adding that the pipeline was now 70 gigawatts worldwide.

Amid these moves, some oil companies plan to reduce their dependence on crude, while increasing investments in renewables. BP plans to reduce its oil and gas production by 40% over the coming decade, while increasing its renewable-energy capacity to 50 gigawatts, from 2.5 gigawatts in 2019.

Iberdrola also plans to build more network infrastructure—the largest part of its business—to support the growth in renewables and electricity generation.

The company expects its planned investments to boost net profit to €5 billion by 2025 from a record €3.4 billion last year. In funding its spending drive, Iberdrola's net debt is forecast to rise to €56 billion by 2025 from €38 billion last year.

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NOTICE OF SALE

NOTICE OF SALE
NOTICE IS HEREBY GIVEN THAT, in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, AB Commercial Real Estate Debt - B2 S.A.L. (or its assignee) ("Secured Party") will offer for sale, at public auction, one hundred percent (100%) of the limited liability company interests ("Interests") in Campo Felice Phase I, LLC ("Mortgage Borrower") owned by Campo Felice Holdings, LLC ("Debtor"). Mortgage Borrower is the fee owner of the property and improvements thereon known as 2500 Edward Drive, Fort Myers, FL 33901. The public auction will be held on November 16, 2020 at 2:00 p.m. EST by remote auction conducted via Cisco WebEx Remote Meeting to the highest qualified bidder; provided however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. The public sale shall be conducted by Mannion Auctions, LLC, by William Mannion, Auctioneer, NYC DCA License No. 796322, and/or Matthew D. Mannion, Auctioneer, NYC DCA License No. 143499. Secured Party made a loan (the "Loan") to Mortgage Borrower and is offering the Interests for sale to enforce Secured Party's rights in the Interests under the Pledge and Security Agreement, dated as of July 3, 2018, which granted Secured Party a first priority security interest in the Interests to secure the obligations of Mortgage Borrower with regard to the Loan. The Loan, in the original principal amount of \$62,000,000 has been accruing interest and other charges following Mortgage Borrower's default under the applicable loan documents. Secured Party reserves the right to credit bid, set a minimum reserve price, reject all bids (including any bid that it deems to have been made by a bidder unable to satisfy qualifications or any requirements imposed by Secured Party upon prospective bidders in connection with the sale or to whom in the Secured Party's sole judgment a sale may not lawfully be made) and terminate or adjourn the sale to another time, without further notice. Interested parties must contact Newmark Knight Frank, 125 Park Avenue, New York, New York 10017, Attn: Brock Cannon, tel. (212) 372-2066, email Brock.Cannon@nkgf.com to obtain further information concerning access to the remote auction, requirements for obtaining information relating to the Interests, qualifications for bidding, bidding procedures, attending the sale, deposit amounts, and terms of sale. All other inquiries should be directed to Greenberg Traurig, LLP, counsel for Secured Party, Attn: Steven Sinatra, Esq., SinatraS@gtlaw.com. Upon execution of a standard confidentiality and non-disclosure agreement, additional documentation and information will be available. Interested parties who do not contact Newmark Knight Frank prior to the sale will not be permitted to enter a bid.

RESIDENTIAL REAL ESTATE

50 PRISTINE ACRES for sale in Plymouth, CT. A small stream runs on one side border of the property. Great views, very secluded, with 400 acres of Mattatuck Forest abutting one side of the property. One acre zoning and 10 minutes to downtown Litchfield, CT. Maine living in Connecticut. **Asking \$350,000.**
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BIGGEST 1,000 STOCKS

How to Read the Stock Tables										Footnotes:									
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.										The list comprises the 1,000 largest companies based on market capitalization.									
Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.										Unlabeled quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.									
W all Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.																			
Thursday, November 5, 2020																			
Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A B C										D E F									
ABB	ABB	26.32	0.63	AgnicoEagle	AEM	83.07	3.32	Amdocs	DOX	57.52	0.20	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AcadiaPharm	ACAD	48.56	-0.57	AlProducts	APD	303.34	14.05	Amedisys	AMED	264.18	-2.73	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AECOM	ACM	46.36	1.56	AkamaiTech	AKAM	102.71	3.37	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AES	AES	20.97	1.03	Albemarle	ALB	105.50	12.07	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
Aflac	AFL	37.20	0.67	Alberksons	ALC	15.52	0.07	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AGCO	AGCO	90.60	4.16	Alcon	ALC	61.94	1.45	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AGNC Inv	AGNC	14.24	0.18	AlexionPharm	ALXN	125.44	2.09	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
Ansys	ANSS	328.35	-0.90	Allergan	ALL	104.13	2.58	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
ASETech	ASX	4.85	0.06	AlliantEnergy	LNT	54.88	-0.46	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
ASML	ASML	398.19	15.19	Allstate	ALL	90.41	-1.63	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AT&T	T	27.51	0.47	AllyFinancial	ALLY	28.30	0.71	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AbbottLabs	ABBV	93.69	-0.81	AllylPharm	ALNY	137.86	-1.63	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
Abiomed	ABMD	272.40	5.96	Alphabet A	GOOG	1762.50	16.65	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AccelaronPharma	XLRN	109.49	-1.39	Alphabet C	GOOG	1763.37	14.24	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
Accenture	ACN	233.99	6.07	Alterixx	AYX	144.67	9.00	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
ActivisionBliz	ATVI	80.14	0.77	AlticeUSA	ATUS	29.37	0.71	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AdaptiveBiotech	ADPT	50.96	0.97	Altria	MO	37.31	-0.77	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
Adobe	ADBE	496.47	9.24	AlumofChina	ACH	5.87	0.08	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AdvanceAuto	AAP	156.43	0.90	Amazon.com	AMZN	3322.00	80.84	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AdvMicroDevices	AMD	83.00	1.65	Ambev	ABEV	2.43	0.18	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10
AgilentTechs	A	110.34	1.85	Amcor	AMCR	11.51	0.42	Ameren	UHAL	400.09	34.53	Alcoa	A	29.14	0.10	Alcoa	A	29.14	0.10

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.										e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. J-Footnotes e and s apply. k-Recalculated by Lipper, using split data. p-Distribution costs apply. l2b-1. r-Redemption charge may apply. S-Stock upst or dividnd. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnotes x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.									
Thursday, November 5, 2020																			
Fund	NAV	Net Chg	YTD %Ret	Fund	NAV	Net Chg	YTD %Ret	Fund	NAV	Net Chg	YTD %Ret	Fund	NAV	Net Chg	YTD %Ret	Fund	NAV	Net Chg	YTD %Ret
American Century Inv	73.01	+1.72	40.0	BlackRock Funds	7.55	...	1.7	TAUSCoreEq2	NA	...	NA	US CoreEq1	NA	...	NA	US CoreEq2	NA	...	NA
Ultra	73.01	+1.72	40.0	HiYidBd Inst	7.54	...	1.6	US CoreEq2	NA	...	NA	US Small	NA	...	NA	US Small	NA	...	NA
American Funds CI A	37.59	+0.37	13.9	BlackRock Funds A	20.91	+0.36	12.2	US SmCpVal	NA	...	NA	USLgVa	33.42	+0.68	-11.9	Dodge & Cox	96.44	+1.56	-2.0
AmcPA p	42.45	+0.62	-0.9	GblAlloc p	20.91	+0.36	12.2	US SmCpVal	NA	...	NA	USLgVa	33.42	+0.68	-11.9	Dodge & Cox	96.44	+1.56	-2.0
BalA p	29.63	+0.31	5.7	BlackRock Funds Inst	10.10	...	3.7	USLgVa	33.42	+0.68	-11.9	Dodge & Cox	96.44	+1.56	-2.0	Balanced	14.82	+0.04	8.0
BondA p	14.13	+0.03	NA	StratIncOpptyIns	10.10	...	3.7	Dodge & Cox	96.44	+1.56	-2.0	Balanced	14.82	+0.04	8.0	Income	37.48	+0.72	-14.0
CapIBA p	58.96	+0.66	NA	Bridge Builder Trust	10.10	...	3.7	Dodge & Cox	96.44	+1.56	-2.0	Balanced	14.82	+0.04	8.0	Income	37.48	+0.72	-14.0
CapWGrA	54.49	+1.16	5.6	CoreBond	10.99	+0.02	7.9	Income	37.48	+0.72	-14.0	Income	37.48	+0.72	-14.0	Stock	175.58	+4.13	-6.5
EupacA p	61.88	+1.76	11.2	CorePlusBond	10.72	+0.03	8.0	Intl Stk	37.48	+0.72	-14.0	Intl Stk	37.48	+0.72	-14.0	Stock	175.58	+4.13	-6.5
FdlnvA p	64.25	+1.29	6.0	Intl Eq	12.19	+0.27	1.7	Stock	175.58	+4.13	-6.5	Stock	175.58	+4.13	-6.5	DoubleLine Funds	11.81	+0.02	8.5
GwrthA p	64.21	+1.39	25.6	LargeCapGrowth	20.15	+0.43	27.3	DoubleLine Funds	11.81	+0.02	8.5	DoubleLine Funds	11.81	+0.02	8.5	CoreFxdlnclm	NA	...	NA
HI TR A p	9.81	+0.05	2.3	LargeCapValue	13.12	+0.26	-2.8	CoreFxdlnclm	NA	...	NA	CoreFxdlnclm	NA	...	NA	TotRetBdl	10.71	...	3.7
ICAA p	41.81	+0.77	7.4	ClearBridge	68.83	+1.45	NA	TotRetBdl	10.71	...	3.7	Edgewood Growth Instituti	52.52	+0.99	36.3	Edgewood Growth Instituti	52.52	+0.99	36.3
IncoA p	22.37	+0.30	-1.4	LargeCapGrowthI	68.83	+1.45	NA	Edgewood Growth Instituti	52.52	+0.99	36.3	Edgewood Growth Instituti	52.52	+0.99	36.3	Edgewood Growth Instituti	52.52	+0.99	36.3
IntBdA p	14.22	...	6.9	Columbia Class I	24.02	+0.37	-0.1	Fidelity	121.88	+2.35	10.3	S00LxndstPrem	121.88	+2.35	10.3	S00LxndstPrem	121.88	+2.35	10.3
N PerA p	56.59	+1.21	23.2	Dimensional Fds	10.89	...	1.5	ContraFund K6	18.49	+0.42	27.8	SrsEmrgMkt	13.11	+0.29	-0.5	SrsEmrgMkt	13.11	+0.29	-0.5
NEcoA p	79.47	+2.26	12.6	GblFxdlnc	25.27	+0.58	NA	ExtMidlndstPr	72.09	+1.86	13.0	SrsGroCoRetail	27.94	+0.73	57.4	SrsGroCoRetail	27.94	+0.73	57.4
NwWridA	70.76	+1.93	20.3	EmgMktVCo	NA	...	NA	FidSretToMarket	12.03	+0.25	10.8	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
SmCPA p	13.45	+0.02	2.9	EmtMktCorEq	NA	...	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
TExIA p	47.53	+0.75	0.2	IntlCoreEq	NA	...	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
WshA p	47.53	+0.75	0.2	IntlCoreEq	NA	...	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
Baird Funds	11.87	+0.01	7.9	IntlSmCo	17.93	+0.41	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
AggBdInst	11.87	+0.01	7.9	IntlSmVa	16.66	+0.36	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2
CorBdInst	12.20	+0.01	7.8	LgCo	26.95	+0.52	NA	IntlndstPrem	41.50	+0.90	-3.4	SrsIntlGrw	19.49	+0.45	11.2	SrsIntlGrw	19.49	+0.45	11.2

ADVERTISEM

The Marketplace

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CLASS ACTION

Legal Notice

If You Transacted in SSA Bonds Between January 1, 2005 and March 6, 2019, You May Be Affected by Class Action Settlements

I. THIS NOTICE

This Notice is to alert you to three proposed settlements reached with Defendants Bank of America Corporation, Bank of America, N.A., Merrill Lynch International, Bank of America Merrill Lynch International Limited, Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively “Bank of America”), Deutsche Bank AG, Deutsche Bank Securities Inc. (collectively “Deutsche Bank”), HSBC Securities (USA) Inc. and HSBC Bank plc (collectively “HSBC,” and together with Bank of America and Deutsche Bank, “Settling Defendants”) in a class action against the Settling Defendants, and Barclays Bank plc, Barclays Capital Inc., Barclays Services Limited, Barclays Capital Securities Limited, BNP Paribas S.A., BNP Paribas Securities Corp., Citigroup Inc., Citibank N.A., Citigroup Global Markets Inc., Citigroup Global Markets Limited, Crdit Agricole Corporate and Investment Bank, Credit Suisse AG, Credit Suisse Securities (USA) LLC, Credit Suisse Securities (Europe) Limited, Credit Suisse International, Nomura Securities International, Inc., Nomura International plc, Royal Bank of Canada, RBC Capital Markets, LLC, RBC Europe Limited, The Toronto-Dominion Bank, and TD Securities (USA) LLC, Hiren Gudka, Bhardeep Singh Heer, Amandeep Singh Manku, Gary McDonald, and Shailen Pau (“Non-Settling Defendants,” and together with Settling Defendants, “Defendants”).

The lawsuit alleges that the Defendants engaged in anticompetitive acts that affected the market for SSA Bonds in violation of Section 1 of the Sherman Act, 15 U.S.C. §1. The lawsuit was brought by, and on behalf of, certain persons or entities (together, “Persons”) who transacted in SSA Bonds. The Defendants deny any wrongdoing.

Settlements have been reached with each of the Settling Defendants. Plaintiffs’ claims against the Non-Settling Defendants have been dismissed, and Plaintiffs filed an appeal on September 14, 2020. The Settling Defendants have agreed to pay \$95.5 million (the “Settlement Fund”). The United States District Court for the Southern District of New York (“Court”) authorized this notice. Before any money is paid, the Court will hold a hearing to decide whether to approve the settlements. Approval of these settlements by the Court will resolve this lawsuit in its entirety with respect to the Settling Defendants.

II. WHO IS A MEMBER OF A SETTLEMENT CLASS?

There are three Settlement Classes. Subject to certain exceptions, the

Settlement Classes include certain Persons who, from January 1, 2005 through March 6, 2019, transacted in SSA Bonds with a Defendant.

If you are unsure if you are a member of a Settlement Class, more information, including a detailed notice, is available at www.SSABondsAntitrustSettlement.com or by calling +1 (855) 966-3307.

III. WILL I GET A PAYMENT?

If you are a member of a Settlement Class and do not opt out, you will be eligible to file a proof of Claim Form. The amount of your payment will be determined by a Plan of Allocation. Details about the Plan of Allocation are available at www.SSABondsAntitrustSettlement.com. A date for distribution of the Settlement Fund has not been set. Proof of claim forms must be submitted by April 16, 2021.

IV. WHAT ARE MY RIGHTS AS A CLASS MEMBER?

If you are a member of a Settlement Class and do not opt out, you will release certain legal rights against the Settling Defendants and the Released Parties, as explained in the detailed notice and settlement agreements, available at www.SSABondsAntitrustSettlement.com. If you do not want to take part in the proposed settlements, you must opt out by February 1, 2021.

You may, but do not have to, object to the proposed settlements, the Plan of Allocation, or Co-Lead Class Counsel’s application to the Court for an award of attorneys’ fees, expenses, and service awards to the Class Plaintiffs for representing the Settlement Classes. To do so, you must file your objections by February 1, 2021.

Information on how to opt out or file objections is in the detailed notice available at www.SSABondsAntitrustSettlement.com.

V. WHEN IS THE FAIRNESS HEARING?

The Court will hold a hearing on April 2, 2021, at 11:30 a.m., at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, Courtroom 619, New York, New York 10007, to consider whether to approve the proposed settlements, the Plan of Allocation, and Co-Lead Class Counsel’s application for an award of attorneys’ fees, expenses, and service awards to the Class Plaintiffs. You or your lawyer may ask to appear and speak at the hearing at your own expense, but you do not have to.

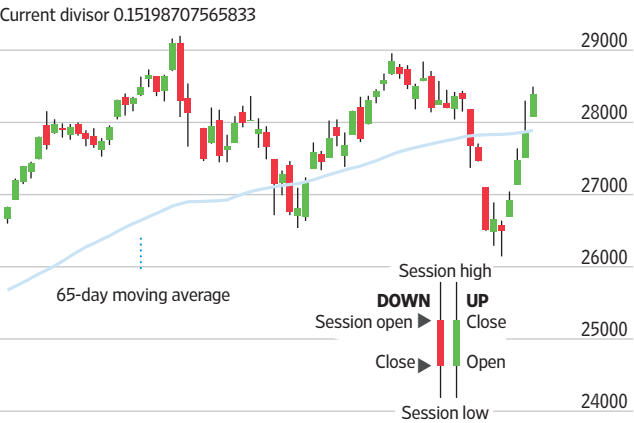
David W. Mitchell
Robbins Geller Rudman & Dowd, LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

28390.18 ▲542.52, or 1.95%	Last	Year ago
High, low, open and close for each trading day of the past three months.	Trailing P/E ratio	28.22 20.50
	P/E estimate *	22.26 18.15
	Dividend yield	2.17 2.23
	All-time high	29551.42, 02/12/20



Bars measure the point change from session's open

Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	28495.05	28083.37	28390.18	542.52	1.95	29551.42	18591.93	-0.5	6.4
Transportation Avg	11753.46	11468.20	11669.58	277.67	2.44	11988.83	6703.63	5.2	6.2
Utility Average	901.64	881.81	885.44	7.75	0.88	960.89	610.89	5.6	5.5
Total Stock Market	36215.27	35857.96	36071.16	731.55	2.07	36434.12	22462.76	14.4	10.4
Barron's 400	771.97	761.09	769.76	16.86	2.24	769.76	455.11	9.7	3.9

Nasdaq Stock Market									
Nasdaq Composite	11924.28	11784.15	11890.93	300.15	2.59	12056.44	6860.67	41.0	32.5
Nasdaq 100	12117.04	11977.07	12078.07	301.05	2.56	12420.54	6994.29	46.9	24.3

S&P									
500 Index	3529.05	3485.74	3510.45	67.01	1.95	3580.84	2237.40	13.8	8.7
MidCap 400	2042.09	2000.66	2037.13	55.34	2.79	2106.12	1218.55	2.2	-1.3
SmallCap 600	938.21	914.36	934.94	25.40	2.79	1041.03	595.67	-5.3	-8.4

Other Indexes									
Russell 2000	1664.12	1616.65	1660.05	44.96	2.78	1705.22	991.16	4.1	-0.5
NYSE Composite	13252.83	13125.75	13199.12	220.17	1.70	14183.20	8777.38	-1.5	-5.1
Value Line	494.00	479.93	492.62	12.69	2.64	562.05	305.71	-8.0	-10.8
NYSE Arca Biotech	5633.54	5568.00	5586.72	-33.34	-0.59	6142.96	3855.67	25.2	10.2
NYSE Arca Pharma	667.01	657.38	658.09	-1.58	-0.24	675.64	494.36	9.5	0.7
KBW Bank	80.74	77.38	80.17	3.17	4.12	114.12	56.19	-26.8	-29.3
PHLX ^S Gold/Silver	154.94	148.50	154.16	10.76	7.50	161.14	70.12	67.9	44.2
PHLX ^S Oil Service	30.12	29.41	29.55	0.19	0.65	80.99	21.47	-57.7	-62.3
PHLX ^S Semiconductor	2493.28	2451.93	2489.16	104.94	4.40	2489.16	1286.84	44.1	34.6
Cboe Volatility	28.14	26.04	27.58	-1.99	-6.73	82.69	11.54	116.7	100.1

^S Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	The Global Dow	3068.86	62.16	2.07	-5.6
	DJ Global Index	451.67	9.82	2.22	4.1
	DJ Global ex U.S.	258.10	6.23	2.47	-2.1
Americas	DJ Americas	819.88	16.84	2.10	7.8
Brazil	Sao Paulo Bovespa	100751.40	2884.59	2.95	-12.9
Canada	S&P/TSX Comp	16298.17	299.43	1.87	-4.5
Mexico	S&P/BMV IPC	38399.07	923.31	2.46	-11.8
Chile	Santiago IPSA	2551.17	128.03	5.28	-23.5
EMEA	Stoxx Europe 600	367.12	3.81	1.05	-11.7
Eurozone	Euro Stoxx	359.79	5.48	1.55	-10.9
Belgium	Bel-20	3209.01	3.89	0.12	-18.9
Denmark	OMX Copenhagen 20	1427.51	32.62	2.34	25.7
France	CAC 40	4983.99	61.14	1.24	-16.6
Germany	DAX	12568.09	243.87	1.98	-5.1
Israel	Tel Aviv	1373.98	3.91	0.29	-18.4
Italy	FTSE MIB	19731.38	373.10	1.93	-16.1
Netherlands	AEX	571.60	6.34	1.12	-5.5
Russia	RTS Index	1170.74	62.59	5.65	-24.4
South Africa	FTSE/JSE All-Share	55225.24	1569.03	2.92	-3.3
Spain	IBEX 35	6924.20	142.30	2.10	-27.5
Sweden	OMX Stockholm	729.37	10.27	1.43	7.1
Switzerland	Swiss Market	10306.35	19.56	0.19	-2.9
Turkey	BIST 100	1180.02	12.37	1.06	3.1
U.K.	FTSE 100	5906.18	22.92	0.39	-21.7
U.K.	FTSE 250	17928.53	132.45	0.74	-18.1
Asia-Pacific					
Australia	S&P/ASX 200	6139.60	77.47	1.28	-8.1
China	Shanghai Composite	3320.13	42.69	1.30	8.9
Hong Kong	Hang Seng	25695.92	809.78	3.25	-8.8
India	S&P BSE Sensex	41340.16	724.02	1.78	0.2
Japan	Nikkei Stock Avg	24105.28	410.05	1.73	1.9
Singapore	Straits Times	2588.62	72.65	2.89	-19.7
South Korea	Kospi	2413.79	56.47	2.40	9.8
Taiwan	TAIEX	12918.80	50.90	0.40	7.7
Thailand	SET	1264.32	41.88	3.43	-20.0

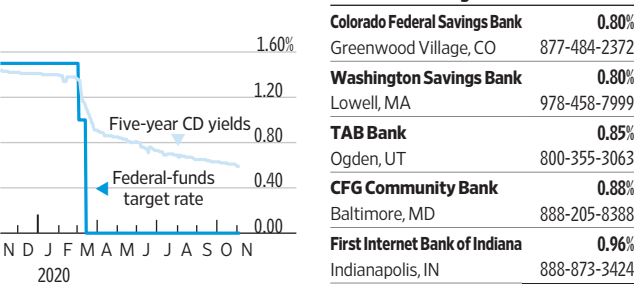
Sources: FactSet; Dow Jones Market Data

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



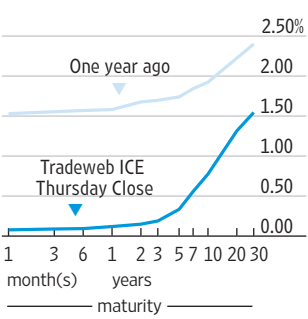
Interest rate	Yield/Rate (%) Last (●) Week ago	52-Week Range (%) Low 0 2 4 6 8 High	3-yr chg (pct pts)
Federal-funds rate target	0.00-0.25	0.00-0.25	-1.00
Prime rate*	3.25	3.25	4.75
Libor, 3-month	0.21	0.21	1.96
Money market, annual yield	0.21	0.19	0.71
Five-year CD, annual yield	0.59	0.61	1.44
30-year mortgage, fixed¹	3.09	3.02	4.22
15-year mortgage, fixed¹	2.63	2.55	3.57
Jumbo mortgages, \$510,400-plus¹	2.95	3.00	4.42
Five-year adj mortgage (ARM)¹	3.21	3.22	4.61
New-car loan, 48-month	4.14	4.13	4.56

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. ¹ Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

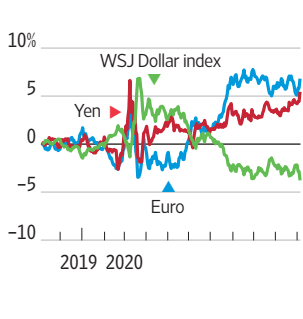
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



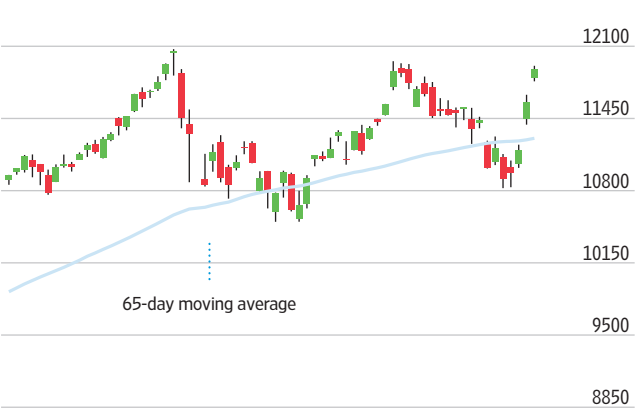
Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury Barclays	2469.850	0.540	0.570	1.870	0.400	8.59
U.S. Treasury Long Barclays	4810.580	1.400	1.480	2.370	0.980	19.38
Aggregate , Barclays	2281.570	1.170	1.230	2.410	1.020	7.74
Fixed-Rate MBS , Barclays	2226.870	1.270	1.350	2.690	0.930	4.31
High Yield 100 , ICE BofA	3239.139	3.963	4.767	10.740	3.963	3.563
Muni Global , ICE BofA	587.447	1.092	1.133	3.441	0.838	4.827
EMBI Master , J.P. Morgan	905.837	4.617	4.882	7.480	4.523	4.930

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Barclays; ICE Data Services

Nasdaq Composite Index

11890.93 ▲300.15, or 2.59%	Last	Year ago
High, low, open and close for each trading day of the past three months.	Trailing P/E ratio **	36.81 25.28
	P/E estimate **	30.25 22.25
	Dividend yield **	0.76 0.99
	All-time high:	12056.44, 09/02/20



Aug. Sept. Oct.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Marathon Oil	MRO	8,776.3	4.29	...	unch.	4.33	4.26
NIO ADR	NIO	8,158.5	43.57	1.22	2.88	43.96	39.43
iShares iBoxx \$ HY Cp Bd	HYG	6,142.7	85.53	...	unch.	85.68	85.49
iShares Gold Trust	IAU	6,119.9	18.58	...	unch.	18.61	18.48
SPDR S&P 500	SPY	4,959.4	351.03	0.79	0.23	351.39	350.14
XPeng ADR	XPEV	4,121.7	38.63	2.78	7.75	39.09	34.81
Invesco QQQ Trust I	QQQ	3,778.4	294.74	0.35	0.12	295.37	294.23
Apple	AAPL	3,555.9	119.20	0.17	0.14	119.30	112.28

Percentage gainers...

FTS International	FTSI	206.7	6.16	2.89	88.38	6.70	3.26
GoPro Inc.	GPRO	992.9	7.95	1.33	20.09	8.00	6.60
Glu Mobile	GLUU	822.9	8.00	1.10	15.86	8.07	6.90
Tanger Factory Outlet Ctr	SKT	94.0	7.20	0.76	11.80	7.30	6.44
Inseego	INSG	507.3	10.46	1.06	11.28	11.09	9.34

...And losers

Assembly Biosciences	ASMB	51.0	9.95	-5.95	-37.42	15.90	9.50
Global Blood Therapeutics	GBT	772.2	41.72	-18.60	-30.84	60.32	41.11
Applied Optoelectronics	AAOI	144.6	7.99	-2.03	-20.26	10.02	7.52
Marin Software	MRIN	187.7	2.22	-0.37	-14.29	2.60	2.18
New Relic	NEWR	193.6	58.00	-7.14	-10.96	65.14	57.50

Percentage Losers

Company	Symbol	Close	Net chg	% chg	52-Week High	Low	% chg
Clovis Oncology	CLVS	4.47	-1.20	-21.16	17.37	3.62	3.5
Presidio Property Trust	SOFT	3.00	-0.76	-20.21	5.01	2.77	...
Direxion Jr Gold Bear 2X	JDST	9.05	-2.19	-19.48	1062.50	8.93	-97.7
Amrys	AMRS	2.13	-0.50	-19.01	6.07	1.40	-46.5
Hanesbrands	HBI	13.33	-3.04	-18.57	17.74	6.96	-16.6
ChannelAdvisor	ECOM	15.20	-3.03	-16.62	22.32	4.39	62.7
bluebird bio	BLUE	48.83	-9.72	-16.60	99.36	38.95	-35.7
Ping Identity Holding	PING	23.34	-2.69	-14.66	37.80	12.02	37.4
LendingTree	TREE	295.00	-53.78	-15.42	378.09	135.72	-19.0
Houghton Mifflin Harcourt	HMHC	2.34	-0.41	-14.91	6.85	1.03	-63.1
OraSure Technologies	OSUR	12.64	-2.14	-14.48	19.75	5.23	46.8
Direxion Gold Miner 2x Br	DUST	16.21	-2.69	-14.63	445.00	15.14	-91.9
Lannett Co	LCI	5.98	-0.99	-14.20	11.79	4.89	-40.6
Direxion Dly SCOND 3 Bear	SOXS	26.87	-4.16	-13.41	462.00	26.73	-91.6
ProShrsUltraShortSilver	ZSL	7.89	-1.10	-12.24	56.62	6.73	-73.0

BIGGEST 1,000 STOCKS

Continued From Page B7

Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg			Net Chg					
Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close	Stock	Sym	Close			
Equinix	EQIX	781.05	3.76	ImperialOil	IMO	14.25	0.05	MitsubishiUFJ	MUFJ	4.11	0.08	RegencyCtrs	REG	36.18	0.28	Snap	SNAP	41.55	-0.44	iThermoFisherSci	TMO	514.76	3.79	VoyaFinancial	VOYA	50.84	0.36	Welltower	WELL	56.85	-0.14	XcelEnergy	XEL	73.73	1.01
Equinor	EQNR	13.47	0.19	Infocsys	INFY	15.01	0.33	MizuhoFinn	MZFI	2.60	0.01	RegenPharm	REGN	588.81	1.67	SnapOn	SNAP	161.71	4.08	iThomsonReuters	TRI	85.80	1.74	VulcanMats	VMC	137.47	1.11	WestPharmSvcs	WST	295.02	5.23	XLNX	XLNX	129.93	1.67
Equitable	EQ	22.98	0.74	IngersollRand	IR	39.80	1.73	MobileTeleSys	MBT	8.37	0.25	RegionsFin	RF	13.68	0.55	Snowflake	SNOW	263.21	-0.70	3M	MMM	163.20	3.04	WesternDigital	WDC	39.15	1.64	Xpgen	XPG	35.85	8.46	Yum	YUM	100.70	2.12
EquityLife	ELS	61.62	-0.04	Inphi	IPHI	14.76	4.98	Moderna	MRNA	71.48	1.67	ReinsGrp	RG	106.31	0.45	SOQUIMICH	SQW	40.98	3.78	Tiffany	TIF	131.16	0.19	WestpacBanking	WBA	37.53	1.24	Xylen	XYL	90.82	4.04	Yandex	YNDX	63.11	1.87
EquityResdntl	EQR	52.06	1.30	Insulet	POD	255.68	24.25	MohawkInds	MHK	122.17	0.38	RelianceSteel	RS	112.12	3.66	SolarEdgeTech	SEDG	223.63	27.07	Toronto	TTC	85.61	1.37	WestlakeChem	WLK	73.65	3.50	Yieldex	YLDX	63.11	1.87	Yum	YUM	100.70	2.12
EfriendmetyA	ERIE	238.80	-0.11	Intel	INTC	45.68	0.31	MolimaHealthcare	MOL	216.82	-0.12	RenaissanceCsr	RNR	166.79	1.80	SolarWinds	SDWG	22.74	0.68	TorontoDomBkT	TD	45.55	0.04	WestRock	WRK	13.01	0.57	Yieldex	YLDX	63.11	1.87	YumBrands	YUM	100.70	2.12
EssentialUtil	ES	47.23	0.14	InteractivEbrks	IBKR	49.25	0.98	MolsonCoorsT	TAP	38.25	0.96	Repligen	RGEN	122.68	14.99	Sony	SNE	90.39	3.98	Total	TOT	32.44	0.10	Weyerhaeuser	WY	28.80	0.32	ZTO Express	ZTO	31.29	0.97	YumChina	YUM	56.02	0.78
EssexFood	ESS	226.13	0.63	Intell	ICE	100.96	2.46	Mondelez	MDLZ	55.64	0.70	RepubliscSvcs	RSG	95.51	1.64	Southern	SO	60.17	0.41	TotalMotor	TMT	137.07	2.91	WasteCon	WCN	105.93	2.96	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
EsteeLauder	EL	236.86	9.11	IntcContinet	HGE	55.27	2.48	MongoDB	MDB	253.15	8.48	ResMed	RMD	212.81	3.39	SoCooper	SCCO	54.25	1.37	TractorSupply	TSCD	138.98	3.15	WasteMgt	WM	119.69	3.64	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Etsy	ETSY	143.64	7.44	IntcContinet	HGE	55.27	2.48	Moody's	MO	291.06	5.45	RestaurantBrands	QSR	54.05	0.14	SouthWestAir	LUV	41.05	2.12	TradeDesk	TD	647.30	14.88	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Everset	EVER	211.83	0.19	InfFlavors	IFB	114.77	2.87	MonsterBer	MONS	83.68	0.96	ReyfordInds	REXR	50.16	-0.05	Splunk	SPLK	208.98	1.97	TransWeb	TW	60.79	1.67	Walmart	WMT	143.47	1.51	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Energy	EVRG	55.19	-0.58	IntlPaper	IP	46.89	1.80	MorganStanley	MS	52.20	0.77	RoyalDutchShl	RDSA	26.84	-0.06	Spotify	SPOT	256.38	17.10	TransDigm	TDG	519.29	3.24	WarnerMusic	WMG	27.07	-0.50	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
EversourceEner	ES	92.20	0.91	Interpublic	IPG	19.53	0.63	Morningstar	MORN	206.50	-0.10	RoyalDutchShl	RDSA	26.84	-0.06	Square	SQ	175.23	3.94	TransUnion	TRU	88.07	0.44	WasteCon	WCN	105.93	2.96	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
ExactSciencs	EXAS	126.68	3.53	Intuit	INTU	350.96	7.96	Mosaic	MOS	17.17	0.42	RocketCos	RKT	20.95	0.33	Starbucks	SBUX	90.62	0.83	Travelers	TRV	127.51	4.11	WasteMgt	WM	119.69	3.64	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Exelisis	EXEL	22.16	-0.43	IntuitiveSurgical	ISRG	728.18	18.63	MotorolaSol	MSI	160.85	0.52	Rockwell	RCK	250.30	7.61	SteelDynamics	STL	72.49	1.75	Trex	TREX	77.34	2.02	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Exelon	EXC	43.07	0.85	Invitae	NVTA	45.69	2.48	Myriad	MYR	15.14	0.07	RogersComm	R	42.62	0.67	STericycle	STRL	32.45	1.49	Trimble	TRMB	55.83	2.80	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Expedia	EXPE	103.10	4.60	InvitatHomes	INVH	28.97	1.15	Nico	NICE	253.30	0.29	Rollins	ROL	63.29	1.96	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
ExpdrtorsIntl	EXPD	87.41	4.08	IQVIA	IQV	25.80	-0.46	NICE	NICE	253.30	0.29	Roku	ROKU	225.06	9.38	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Extracell	EXTR	113.90	-3.45	IQVIA	IQV	25.80	-0.46	NICE	NICE	253.30	0.29	Rollins	ROL	63.29	1.96	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
ExxonMobil	EXX	33.17	-0.06	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoperTech	RST	94.04	-2.75	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FSNStores	FFWM	140.85	6.85	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RossStores	ROST	94.04	-2.75	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FMC	FMC	109.14	4.27	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Facebook	FB	294.68	7.30	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FactSet	FCS	332.97	5.09	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FairIsaac	FIS	444.60	2.95	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Farfetch	FTCH	37.79	2.74	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Fastenal	FAS	46.54	-0.26	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Fastly	FAST	74.11	3.08	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FedEx	FDX	270.97	0.97	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
Ferrari	RACE	207.09	4.89	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FiatChrysler	FCF	13.52	0.59	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FidNatInf	FNU	33.45	-0.80	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FidNatInfo	FI	132.59	-0.21	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FifthThirdBnk	FTIB	24.00	0.90	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FirstRepBank	FRB	127.72	4.45	JDRom	JD	91.59	2.28	NICE	NICE	253.30	0.29	RoyalCan	RY	60.17	3.19	STericycle	STRL	32.45	1.49	Truist	TRU	32.27	1.73	Watsco	WAT	217.70	4.63	Zions	ZION	49.25	0.72	Zions	ZION	49.25	0.72
FirstSolar	FSR	96.90	7.12	JDRom</																															

BANKING & FINANCE

Cautious European Banks Prove Resilient

By Simon Clark
And Giovanni Legorano

European banks are mostly upbeat about their performance in the third quarter despite the ravages of the coronavirus pandemic on the economy. But amid more positive signals on Thursday were reminders of stiff long-term challenges facing the industry.

Banks are still adding to provisions to guard against loans going sour as some businesses struggle to meet their obligations, a problem worrying executives and regulators across the continent. French lender **Société Générale** SA set aside €518 million, equivalent to \$607 million, in provisions in the third quarter, 57% more than the amount in the same period last year, even as it returned to profit after incurring a loss in the first half. Italy's **UniCredit** SpA set aside €741 million for credit losses, up 32% from a year earlier, as net profit jumped from the previous quarter but fell from the same quarter last year.



Société Générale on Thursday said it fared better in the third quarter, returning to profit.

UniCredit Chief Executive Jean Pierre Mustier said the bank would further increase provisions in the fourth quarter to prepare for a rise in bad loans.

The region's lenders are

grappling with low interest rates, which are now expected to remain in place for longer as central banks try to reignite economies. Dutch lender **ING Groep** NV said Thursday it is facing margin pressure as cus-

tomers deposits—which have become a headache for banks since the European Central Bank started charging them to park excess liquidity—have risen and lending has slowed down.

The Bank of England has

asked lenders to prepare for the possibility of negative interest rates. The U.K. central bank announced another dose of bond purchases on Thursday, becoming the first major central bank in Europe to boost stimulus measures in response to a second wave of coronavirus infections.

German lender **Commerzbank** AG on Thursday reported weaker net interest income for the third quarter, which, when combined with restructuring costs, drove the bank to a loss in the quarter and likely for the entire year. Shares of Commerzbank fell nearly 6% and ING shares declined 3.3%.

During the summer, governments across the Continent eased restrictions introduced to rein in the coronavirus, helping trigger a pickup in economic activity and boosting lenders.

That progress could be stymied as France, Germany and other nations lock down their populations to stem soaring infection rates. European governments have provided huge fi-

nancial support to companies and banks in efforts to protect them during the crisis. They have stepped in to guarantee loans, introduced loan-payment holidays and financed furlough programs and additional unemployment benefits. That means the full extent of damage to underlying businesses is unclear.

U.K. banks have the additional concern of the country ending this year without a trade deal with the European Union. Ewen Stevenson, chief financial officer of London-based **HSBC Holdings** PLC, said last week that the bank could add as much as \$1 billion in provisions in the fourth quarter if a trade agreement isn't reached.

Société Générale on Thursday said it fared better in the third quarter, returning to profit after incurring losses in the first half of the year because of problems in its trading unit. The French bank has been doubly hit by a dearth of dividend payments in Europe this year.

—Patricia Kowsmann contributed to this article.

Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX) 25,000 lbs.; \$ per lb.						
Nov	3.0980	3.1230	3.0755	3.1045	0.0035	1,570
Dec	3.1100	3.1365	3.0800	3.1100	0.0030	124,611
Gold (CMX) 100 Troy oz.; \$ per Troy oz.						
Nov	1901.70	1948.00	1901.70	1945.30	50.70	1,628
Dec	1903.40	1954.30	1902.20	1946.80	50.60	403,797
Jan'21	1909.80	1952.20	▲ 1909.80	1950.20	50.50	20
Feb	1910.50	1961.40	1910.20	1953.80	50.70	75,021
April	1916.40	1966.90	1916.40	1959.50	51.00	30,872
June	1920.30	1970.80	1920.30	1963.90	51.10	19,979
Palladium (NYM) 50 Troy oz.; \$ per Troy oz.						
Nov	...	...	...	2378.30	76.00	...
Dec	2310.40	2437.10	2280.90	2383.60	76.00	8,141
Platinum (NYM) 50 Troy oz.; \$ per Troy oz.						
Nov	...	...	...	896.80	30.10	25
Jan'21	872.00	910.50	870.20	899.90	29.80	49,016
Silver (CMX) 5,000 Troy oz.; \$ per Troy oz.						
Nov	24.800	24.900	24.800	25.171	1.307	176
Dec	23.980	25.270	23.955	25.191	1.298	110,895
Crude Oil, Light Sweet (NYM) 1,000 bbls.; \$ per bbl.						
Dec	39.17	39.35	38.27	38.79	-0.36	325,536
Jan'21	39.42	39.67	38.60	39.11	-0.36	248,896
Feb	39.81	40.04	38.99	39.48	-0.38	141,269
March	40.18	40.40	39.40	39.87	-0.37	143,086
June	41.03	41.29	40.33	40.79	-0.36	205,117
Dec	41.98	42.18	41.36	41.74	-0.34	254,061
NY Harbor ULSD (NYM) 42,000 gal.; \$ per gal.						
Dec	1.1715	1.1741	1.1476	1.1696	-0.039	123,927
Jan'21	1.1767	1.1835	1.1584	1.1790	-0.030	61,905
Gasoline-NY RBOB (NYM) 42,000 gal.; \$ per gal.						
Dec	1.1081	1.1185	1.0860	1.1159	-0.078	121,816
Jan'21	1.1008	1.1100	1.0804	1.1069	-0.048	65,746
Natural Gas (NYM) 10,000 MBtu; \$ per MBtu.						
Dec	3.062	3.113	2.925	2.942	-0.104	157,978
Jan'21	3.195	3.244	3.071	3.084	-0.093	212,219
Feb	3.158	3.206	3.047	3.058	-0.082	87,629
March	3.066	3.112	2.967	2.977	-0.068	137,667
April	2.905	2.952	2.836	2.844	-0.050	75,906
Oct	2.999	3.042	2.940	2.958	-0.033	93,457

Agriculture Futures						
Corn (CBT) 5,000 bu.; cents per bu.						
Dec	405.00	417.25	404.00	409.25	4.00	602,409
March'21	410.50	422.25	▲ 410.00	414.75	3.50	150,941
Oats (CBT) 5,000 bu.; cents per bu.						
Dec	297.50	307.75	297.00	302.00	5.25	4,106
March'21	301.00	307.50	▲ 297.25	302.25	5.00	1,484
Soybeans (CBT) 5,000 bu.; cents per bu.						
Nov	1080.00	1111.25	▲ 1079.50	1101.75	22.75	2,757
Jan'21	1086.00	1112.75	▲ 1083.50	1103.75	17.50	374,629
Soybean Meal (CBT) 100 tons; \$ per ton.						
Dec	385.90	393.40	▲ 384.30	387.80	1.20	133,251
Jan'21	380.20	388.00	▲ 379.00	383.20	3.00	90,328
Soybean Oil (CBT) 60,000 lbs.; cents per lb.						
Dec	34.40	35.72	34.36	35.47	1.08	121,828
Jan'21	34.30	35.48	34.25	35.23	.94	104,705
Rough Rice (CBT) 2,000 cwt.; \$ per cwt.						
Nov	...	...	...	12.67	.15	141
Jan'21	12.29	12.45	12.29	12.43	.15	8,763
Wheat (CBT) 5,000 bu.; cents per bu.						
Dec	606.50	626.25	606.00	609.25	3.25	196,377
March'21	610.00	628.75	609.75	613.50	4.00	95,636
Wheat (KC) 5,000 bu.; cents per bu.						
Dec	559.75	581.00	▲ 559.25	563.00	3.25	99,142
March'21	566.00	586.50	▲ 566.00	569.50	3.50	73,819
Cattle-Feeder (CME) 50,000 lbs.; cents per lb.						
Nov	137.700	138.500	136.600	137.575	-0.125	3,451
Jan'21	135.175	136.100	133.750	135.400	-0.250	22,521
Cattle-Live (CME) 40,000 lbs.; cents per lb.						
Dec	108.675	109.000	107.825	108.350	-0.475	95,117
Feb'21	111.425	111.725	110.925	111.450	-0.675	70,760
Hogs-Lean (CME) 40,000 lbs.; cents per lb.						
Dec	66.875	67.600	66.425	67.425	1.075	76,171
Feb'21	67.250	68.625	67.250	68.475	1.475	53,722
Lumber (CME) 110,000 bd. ft.; \$ per 1,000 bd. ft.						
Nov	552.50	567.10	552.00	565.90	16.90	289
Jan'21	543.10	560.70	542.60	555.70	16.60	1,614
Milk (CME) 200,000 lbs.; cents per lb.						
Nov	23.70	23.73	23.47	23.57	-0.20	5,368
Dec	20.15	20.21	19.42	19.42	-0.75	5,113
Cocoa (ICE-US) 10 metric tons; \$ per ton.						
Dec	2,289	2,318	2,268	2,312	36	45,007
March'21	2,308	2,327	2,284	2,318	27	79,653
Coffee (ICE-US) 37,500 lbs.; cents per lb.						
Dec	103.90	106.80	103.55	105.95	2.95	81,975
March'21	106.75	109.25	106.15	108.45	2.80	85,467

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session									
Thursday, November 5, 2020									
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CommSvcsSPDR	XLC	63.85	1.93	19.1	ISHMSCIEAFE	EFA	66.07	2.40	-4.9
CnsmrDiscSelSector	XLY	153.22	1.95	22.2	ISHMSCIEmgMarkets	EEM	47.71	1.71	6.3
CnsStapleSelSector	XLP	64.79	0.73	2.9	ISHMSCJapan	EWJ	61.47	2.47	3.8
FinSelSectorSPDR	XLF	25.16	2.44	-18.3	ISHNatMuniBd	MUB	115.87	0.10	1.7
FT DJ Internet	FDN	204.96	3.09	47.3	ISH1-5YIGCorpBd	IGSB	54.92	0.04	2.4
HealthCareSelSector	XLU	109.88	0.20	7.9	PFF	36.84	3.00	-2.0	
IndSelSectorSPDR	XLI	81.26	2.36	-0.3	ISHRussell1000Grwth	IWF	228.99	2.28	30.2
Invcs&P500	QQQ	294.39	2.61	38.5	ISHRussell1000	IWB	196.49	2.04	10.1
Invcs&PQOIEW	RSP	114.47	1.94	-1.1	ISHRussell1000Val	IWD	123.21	1.73	-9.7
ISH3-7YTreasuryBd	IEI	133.15	-0.02	5.9	ISHRussell2000	IWM	164.91	2.80	-0.5
ISHCoreDivGrowth	DGRO	41.22	1.80	-2.0	ISHRussellMid-Cap	IWR	61.83	2.27	3.7
ISHCoreMSCIEAFE	IEFA	62.41	2.43	-4.3	ISH&P500Growth	IWR	60.84	2.27	25.7
ISHCoreMSCIEM	IEMG	57.08	1.73	6.2	ISH&P500Value	IVE	116.57	1.46	-10.4
ISHCoreMSCITotInt	IXUS	61.12	2.16	-1.3	ISHShortTreasBd	SHV	110.68	0.01	0.2
ISHCore&P500	IVV	351.47	1.96	8.7	ISHSilver	SLV	23.61	6.16	41.5
ISHCore&P MC	IJH	203.25	2.86	-1.2	ISHTIPSBondETF	TIP	125.58	0.08	7.7
ISHCore&P SC	IJR	76.86	2.93	-8.3	ISH1-3TreasuryBd	SHY	86.37	-0.02	2.1
ISH&PTrIntUSStkMkt	ITOT	79.52	2.11	9.4	ISH20+TreasuryBd	TLT	161.36	0.17	19.1
ISHCoreUSAggBd	AGG	118.06	0.09	5.1	ISHRussellMCGrowth	IWP	188.75	2.21	23.7
ISHSelectDividend	DVY	86.56	2.29	-18.1	ISHUSTreasuryBdETF	GOVT	27.80	0.11	7.2
ISHESGAwareUS	ESGU	79.97	2.11	12.1	JPMUITShIntrMkt	JPST	50.74	-0.02	0.6
ISHEdgeMSCIMinEAFE	EFVA	69.57	1.89	-6.7	PIMCOEnhShMaturity	MINT	101.94	0.02	0.3
ISHEdgeMSCIMinUSA	USMV	64.85	0.86	-1.1	SPDRBlmBarcHYBd	BIL	91.53	0.01	-2.8
ISHEdgeMSCIUSAAMom	USM	154.22	1.18	22.8	SPDRBloomBarl-3MTB	BIL	91.53	0.01	0.1
ISHEdgeMSCIUSAQual	QUAL	108.61	1.72	7.5	SPDR Gold	GLD	182.93	2.30	28.0
ISH5-10YIGCorpBd	IGIB	61.15	0.07	5.5	SchwabIntlEquity	SCHF	32.58	2.42	-3.1
ISHGoldTr	IAU	18.58	2.20	28.1	SchwabUS BrdMkt	SCHB	83.92	2.09	9.2
ISHiBox\$InlvGrpCbD	LQD	136.62	0.37	6.8	SchwabUS Div	SCHD	58.43	2.38	0.9
ISHiBox\$HYCpBd	HYG	85.53	0.35	-2.7	SchwabUS LC	SCHX	84.61	2.03	10.2
ISHJPMUSDEmgBd	EMB	113.26	0.38	-1.1	SchwabUS LC Grw	SCHG	122.71	2.45	32.1
ISHMBSETF	MBB	110.24	0.04	2.0	SchwabUS SC	SCHA	75.10	2.68	-0.7
ISHMSCI ACWI	ACWI	83.82	2.03	5.8	Schwab US TIPS	SCHP	61.15	0.10	8.0

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
SPDR DJIA Tr	DIA	283.91	1.94	-0.4
SPDR S&P MidCapTr	MDY	371.32	2.79	-1.1
SPDR S&P 500	SPY	350.24	1.95	8.8
SPDR S&P Div	SDY	96.94	1.97	-9.9
TechSelectSector	XLK	121.15	3.11	32.2
UtilitiesSelSector	XLU	64.27	0.89	-0.5
VanEckGoldMiner	GDV	41.22	7.15	40.8
VangdInfoTech	VGT	326.10	3.18	33.2
VangdSCVal	VBR	121.09	2.43	-11.7
VangdSC Grwth	VBK	235.78	2.54	18.7
VangdExtMkt	VXF	141.34	2.80	12.2
VangdDivApp	VIG	133.98	1.65	7.5
VangdFTSEDevMk	VEA	42.37	2.42	-3.8
VangdFTSE EM	VWO	46.70	1.70	5.0
VangdFTSE Europe	VWG	53.79	2.44	-8.2
VangdFTSEAWxUS	VEU	52.97	2.26	-1.5
VangdGrwth	VUJ	240.10	0.29	11.8
VangdHlthCr	VHT	214.42	0.42	31.8
VangdHDiv	VIM	83.46	1.64	-10.9
VangdIntemBd	BIV	93.32	0.02	7.0
VangdIntCorpBd	VCIT	96.38	0.11	5.5
VangdLC	VV	163.77	2.00	10.8
VangdMCD	VO	188.87	2.04	6.0
VangdMBS	VMBS	54.21	0.04	2.0
VangdRealEst	VNQ	80.45	0.47	-13.3
VangdS&P500ETF	VOO	321.79	1.96	8.8
VangdST Bond	BSV	82.84	-0.01	2.8
VangdSTCpBd	VCSH	82.89	0.05	2.3
VangdSC	VB	168.71	2.54	1.9
VangdTotalBd	BND	88.22	0.10	5.2
VangdTotalIntBd	BNX	58.46	0.02	3.3
VangdTotalStk	VXUS	54.66	2.17	-1.8
VangdTotalStk	VTI	179.35	2.07	9.6
VangdTotalWrld	VTV	84.77	2.12	4.7
VangdValue	VTV	108.36	1.64	-9.6

MARKETS

Firms Set Returns To Private Market

By Preeti Singh

Two private-equity firms are betting that recently proposed acquisitions of publicly traded companies will enable them to replicate the success enjoyed by other firms that have come before them.

This week, **Clearlake Capital Group** said it would acquire **Endurance International Group**, a publicly traded cloud-based software provider focused on small and midsize businesses that has been backed by **Warburg Pincus** and the merchant-banking arm of **Goldman Sachs Group Inc.** since 2011.

Meanwhile, late last week, **Roark Capital**-backed restaurant platform Inspire Brands said it would acquire doughnut and coffee chain operator **Dunkin' Brands Group Inc.**, which had been owned by buy-out shops Bain Capital, **Carlyle Group** and **Thomas H. Lee Partners** before going public in 2011.

The investments follow what until recently had been a steady flow of take-private deal volume among private-equity investors. Private-equity firms announced 24 U.S. take-private deals last year totaling \$64.92 billion and 28 such deals totaling \$48.6 billion in 2018, according to data provider Dealogic.

So far this year through Nov. 2, private-equity sponsors have announced 14 U.S. take-private deals totaling \$7.83 billion as the coronavirus pandemic stymied transactions. However, some industry experts say they expect volume to grow, driven partly by an abundance of private-equity capital available to invest and a more challenging economic environment.

“The ability to not have to manage quarterly earnings and not have the pressure of delivering high organic growth as a public company will make it attractive, again to go private and be privately owned,” said Paul Aversano, managing director and global practice leader in global transaction advisory at consulting firm Alvarez & Marsal.

For the companies themselves, private equity offers access to fresh capital and an opportunity to make changes that are tougher to execute as a public company, according to industry experts.

Both companies being acquired also grew under private-equity ownership. Dunkin’ expanded its geographic reach across the U.S. and overseas between the time it was first acquired by private-equity firms in 2006 and the time it went public in 2011.

The company also increased the number of franchisees who owned multiple locations. The deal also proved lucrative for its previous private-equity backers, each of which had tripled their initial investment on the company by the time they exited, according to a report by the Washington Post.

Endurance, meanwhile, expanded its platform by adding Houston-based competitor HostGator.com LLC and Intuit Inc.’s website businesses, and more than doubled its cash flow by 2013. As of Nov. 1, Warburg and Goldman still controlled around 48% of Endurance’s voting power, the company said in a recent regulatory filing. The \$3 billion price tag that Clearlake is offering for Endurance is more than triple the roughly \$975 million that its current private-equity backers paid for the company nearly a decade ago.

AUCTION RESULTS

Here are the results of Thursday’s Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS	
Applications	\$102,075,204,800
Accepted bids	\$32,407,768,800
* noncompetitively	\$939,579,300
* foreign noncompetitively	\$560,000,000
Auction price (rate)	99.993778 (0.0801)
Coupon equivalent	0.081%
Bids at clearing yield accepted	61.37%
Cusip number	912796581
The bills, dated Nov. 10, 2020, mature on Dec. 8, 2020.	

EIGHT-WEEK BILLS	
Applications	\$111,671,140,200
Accepted bids	\$37,809,215,200
* noncompetitively	\$196,510,700
* foreign noncompetitively	\$257,000,000
Auction price (rate)	99.986778 (0.0851)
Coupon equivalent	0.086%
Bids at clearing yield accepted	68.03%
Cusip number	912796458
The bills, dated Nov. 10, 2020, mature on Jan. 5, 2021.	

U.S. Election Hits European Yields

By Paul J. Davies

The election-induced drop in Treasury yields rippled overseas, dragging down borrowing costs in Europe as investors wrote off hopes that a big U.S. spending package could give the global economy a jolt.

CREDIT MARKETS

Investors in Europe had been looking for a big stimulus to boost inflation and economic growth as a spillover effect from the U.S. It became clearer by Thursday morning that the U.S. elections were closer than polls and investors had expected and that

there would be no sweeping Democratic “blue wave” to carry out ambitious spending plans.

German 10-year yields hovered around their lowest levels since March on Thursday, dropping to minus 0.657% in early trading before rebounding to minus 0.636%, slightly above Wednesday’s close, according to Tradeweb.

Italian 10-year yields fell further Thursday, and Italy’s five-year yields went negative for the first time, touching minus 0.021% before closing just in positive territory at 0.003%.

“Everything Europe could

be hoping for in terms of traction from the global environment, including a large U.S. fiscal package and a weaker dollar, may not happen after all,” said Fred Ducrozet, strategist at Pictet Wealth Management. “One immediate consequence will be that the European Central Bank may have to ease even more than expected in December.”

Mr. Ducrozet is already expecting an increase of €500 billion, equivalent to \$586.12 billion, to the capacity of the ECB’s pandemic emergency bond-purchasing program and an increase in the monthly rate of bond pur-

chases under its main quantitative-easing program when the central bank next meets in December.

While expectations for the larger stimulus plan proposed by Democrats faded with the election results, that doesn’t preclude a smaller bill passing Congress. Senate Majority Leader Mitch McConnell said Wednesday he would push for a spending bill before the end of the year.

The European economy is expected to shrink significantly this year. The European Commission lowered its estimates for a rebound in 2021 as fresh Covid lockdowns take hold. The EU’s ex-

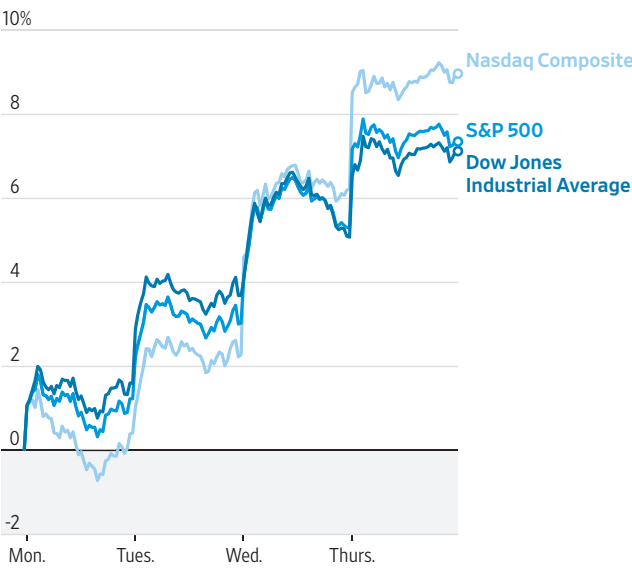
ecutive arm expects next year’s real GDP in the EU to improve by 4.1% compared with its earlier prediction of 6.1% growth.

Yields on U.S. Treasuries were more stable Thursday after falling sharply a day earlier.

The yield on the 10-year U.S. Treasury note settled at 0.775%, according to Tradeweb, compared with 0.768% on Wednesday.

Yields held fairly steady after the conclusion of the Federal Reserve’s two-day policy meeting. There was no change to the commitment to provide sustained economic stimulus.

Index performance, week-to-date



Source: FactSet

Major Indexes Rally

Continued from page B1

in was a function of the election...And I don’t know in which direction that moves the needle.”

THURSDAY’S MARKETS

Still, even with a lack of clarity on the issue, investors piled into shares of companies across all sectors, leading all of the S&P 500’s 11 sectors, excluding the energy group, higher—a contrast from Wednesday, when traders unwound some of their bets on

economically sensitive sectors.

On Thursday, companies ranging from cruise operator **Carnival** to oil producer **Occidental Petroleum** to industrial giant **Caterpillar** jumped, with each rising 5% or more.

Qualcomm rallied 13% after the mobile-phone chip-making giant said it expects a surge in smartphone sales next year, thanks to growing consumer appetite for 5G-capable devices.

Megacap technology stocks also led the market, with **Apple**, **Amazon.com** and **Facebook** all rising 2% or more. While both Democrats and Republicans have ramped up scrutiny of technology giants, the parties hold differing views on the problems the companies create and disagree on how to rein them in.

That could potentially make

it more difficult to pass comprehensive regulations, some investors believe.

While the election remained top of mind for many investors, traders were on the lookout for any kind of signals from the Fed after officials concluded their November meeting.

Ultimately, the central bank made no changes to its commitment to provide sustained stimulus and said the coronavirus pandemic continues to pose significant risks for the economy.

The U.S. on Wednesday recorded more than 100,000 new coronavirus cases in a single day for the first time.

Meanwhile, new applications for unemployment benefits held largely steady in the week ending Oct. 31, the Labor Department said Thursday.



Companies ranging from cruise operator Carnival to oil producer Occidental Petroleum jumped over 5%.

About 751,000 Americans applied for unemployment benefits, the data showed, a level slightly lower from the week before but still considerably higher than before the pandemic.

In bond markets, the yield on the 10-year Treasury note jumped to 0.775% from 0.768% the day before.

Overseas, optimism was also high in the equity markets. The pan-continental Stoxx Europe 600 rose 1%.

In Asia, Hong Kong led regional gains. The Hang Seng Index advanced 3.3%. South Korea’s Kospi Composite gained 2.4%, while the Shanghai Composite traded 1.3% higher. At midday Friday, the Asian benchmarks were flat to lower.

Chinese technology companies could benefit from a less

antagonistic relationship between the leaders of the U.S. and China if Mr. Biden wins the presidency.

The Trump administration has moved to curb Americans’ use of Tencent Holdings’ WeChat messaging app, placed export controls on China’s largest chip maker and reduced telecommunications-equipment giant Huawei Technologies’ access to foreign-made semiconductors.

“Markets are now pricing in a Biden win that would likely lead to reduced sanction pressure on Chinese companies,” said Steven Leung, an executive director in Hong Kong for investment bank UOB Kay Hian.

Thursday night, U.S. stock futures were down 0.5%.

—Joanne Chiu contributed to this article.



Funds that invest in renewable energy have been one of the biggest winners this year. Managers in niches are often able to charge higher fees.

Funds With Themes See Records

Continued from page B1

The inflows into thematic funds are a speck compared with the trillions invested in low-cost index funds. Assets under management in thematic funds stood at a record \$215 billion at the end of September, up from \$145 billion at the end of 2019, Morningstar data show. Yet the growing niche represents an opportunity for fund managers to charge higher fees.

“The fee pressure is always gonna be there,” said Rahul Bhushan, investment strategies lead at Rize ETF, a London-based fund issuer. “You can only credibly innovate in an area where people see you as a specialist,” Mr. Bhushan said.

Passive thematic funds in North America charge around 0.59% on average compared with 0.44% for a non-thematic fund. Vanguard’s S&P 500 ETF, which trades under the ticker VOO, charges 0.03%.

Asset managers and industry analysts chalk up the success of thematic funds, at least in part, to the fact they offer a clear way to invest in an overarching narrative.

“We’ve seen a greater uptake of products that make intuitive sense, that are doing

what they say on the tin,” said Mr. Bhushan. His firm offers funds dedicated to sustainable food production and data privacy, among others.

Among the big winners this year are funds that bet on renewable energy. The pandemic accelerated a shift away from fossil fuels thanks to government support, low interest rates and falling costs for things such as solar and wind.

BlackRock’s iShares Global Clean Energy ETF, which invests in companies such as solar panel manufacturers and wind turbine makers, in the U.S., Europe and Asia, has risen around 70% this year, pulling in more than \$1 billion in the process. Invesco’s Solar ETF has risen 120%, and pulled in more than \$630 million.

The question for investors is whether paying higher fees is worth it. Morningstar research published in February showed that about 32% of thematic funds launched before 2015 had closed. Of those that had survived, only 41% outperformed the MSCI World Index, a broad stock benchmark.

The percentage of theme-based funds that both survive and outperform their benchmarks is “very, very low,” said Kenneth Lamont, a senior research analyst at Morningstar. To profit from thematic investing, investors not only have to identify a growth area, but pick a fund that provides the right exposure to companies in that sector. On top of that, they have to pick the right time to enter the market, he said.

China Buyout Firm Raises \$130 Million In First Fund

By Jing Yang

China’s **Hony Capital Ltd.** earlier this month closed its maiden venture-capital fund, raising \$130 million from international investors, as the company continues to broaden its investment focus.

The Beijing-based private-equity firm, one of the largest in the country, confirmed the fund’s closing to The Wall Street Journal. Honi Ventures Fund I, which took four months to raise, closed early this month. The fund targets early-stage investments in the consumer, internet and digital enterprise service sectors in China, according to the firm.

Although traditionally a buyout firm, Honi Capital plans to leverage its brand name, record in consumer and retail deals and experience in managing growing companies to stand out from other venture-capital firms, according to a person familiar with the firm.

The fund continues Honi’s push to diversify beyond its mainstay buyout and real-estate funds. The firm expanded into real-estate funds in 2015, followed by hedge funds and mutual funds in 2018. The firm manages more than \$12 billion and rose to international prominence for its acquisition of London-based restaurant chain Pizza Express in 2014.

Hony invested in WeWork in 2016 and is a partner in the office-space company’s China joint venture, alongside Softbank Corp and Chinese investment firm Trustbridge Partners. Honi founder and Chief Executive John Zhao is a director on the startup’s board.

HEARD_{ON THE} STREET

FINANCIAL ANALYSIS & COMMENTARY



Once the regulatory picture becomes clearer, demand for some health stocks such as AbbVie could get a boost.

Health-Care Stocks Mend

After a Democratic election sweep fails to occur, mood of investors brightens

At least one clear winner is emerging as election results trickle in: the health-care industry. The prospect of a Democratic sweep had worried Wall Street. A broad index of health stocks had returned about 6% in the six months through Tuesday—results that lagged behind the S&P 500 by about 12 percentage points. Now investors can breathe a sigh of relief, as an outright blue wave has failed to materialize. Health stocks are up 4.6% since the election. Investors wouldn't mind a little gridlock in Washington. During the presidential campaign, Democratic nominee Joe Biden advocated for policies that the industry has resisted. Those included creating a government panel to review prices of new prescription drugs that don't have existing competition and enabling Medicare to directly negotiate drug prices with manufacturers. Mr. Biden was an architect of the 2010 Affordable Care Act, which has been a favorable regulatory framework for the industry as it expanded access to insurance while doing relatively little to control prices. But a Democratic Senate could theoretic-

cally open the door for bigger policy changes, such as universal access to Medicare. Drug companies are highly profitable, so their stock prices are vulnerable to the prospect of higher corporate tax rates. While investors have dodged most of that for now, there are regulatory potholes ahead. The Supreme Court is set to hear a challenge to the legality of the Affordable Care Act later this month. While the law survived many challenges in court over the years, including at the Supreme Court, Justice Amy Coney Barrett's confirmation makes matters more uncertain. And it is still possible that Democrats can emerge with control of the Senate come January, depending on how some Georgia races play out. Nevertheless, barring a move by the Supreme Court, it is most likely that any changes to health policy will be manageable for the industry. And once investor focus returns to industry fundamentals, Wall Street should like what it sees. An aging U.S. population means demand for health care is likely to increase, and pricing power is strong under current law. Health spending as a share

of gross domestic product has grown and there is no reason to expect that trend to reverse soon. The pandemic caused disruptions to swaths of the industry earlier this year, as elective surgeries were halted in many hospital systems. But even with Covid-19 cases again rising, it seems unlikely that scenario will repeat itself on a large scale, thanks to better preparation by hospitals and improved knowledge of how to treat the disease that is caused by the new virus. In fact, demand for Covid-19 diagnostics, therapeutics and vaccines should be a benefit for 2021 and possibly beyond. A safe and effective vaccine could conceivably reach the market by the end of this calendar year. And there are some decent bargains to be had in an increasingly expensive market. Insurance company **UnitedHealth Group** trades at about 21 times this year's earnings forecast, while drugmaker **AbbVie** trades at roughly nine times, both in line with their historic averages. Once the regulatory picture becomes more clear, don't be surprised if demand for health stocks gets a booster shot. —*Charley Grant*

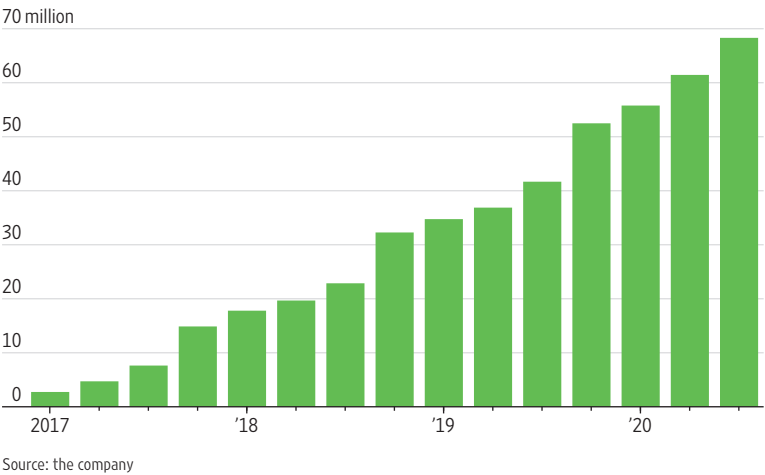
Nintendo's Quarter At Home Was Comfy

Hit game 'Animal Crossing' and popular Switch console drove strong results as people stayed in

In the outside world, pandemics and electoral politics are raging. But game company **Nintendo** looks comfortably ensconced in its customers' living rooms following another strong quarter. The Japanese game company delivered another blowout quarter: Operating profit for the three months ending in September more than doubled from a year earlier while revenue grew 51%, both far ahead of analysts' estimates according to S&P Global Market Intelligence. "Animal Crossing," a game on Nintendo's Switch console, has been a hit for people forced to stay at home during the pandemic. Nintendo sold 14.3 million copies of the game from April to September, its bestselling title during the period. Nintendo has also raised its operating profit forecasts for the fiscal year ending next March by 50%—a rare move ahead of the holiday season for the usually conservative company. Nintendo now expects to sell 24 million of its Switch consoles this fiscal year, making it potentially the best year for Switch sales since the game console's launch in 2017. The pandemic boom will likely extend the life of the console as it enters the middle of its life cycle. The coming holiday season will

give Nintendo another boost, even with a looming console war. **Microsoft** and **Sony** will launch their next-generation consoles next week, but Nintendo stands a good chance to set itself apart from these two. The Japanese company has been targeting a different market: families and more casual players. As the company said in September, the company's DNA is to create games for all ages that anyone can intuitively enjoy. Nintendo has stuck to what it called "integrated hardware-software" approach: around 80% of its games are made by Nintendo itself. That means gamers will need to buy a Switch if they want to play Nintendo games that are only available on the console. But Nintendo also needs to start preparing for life after the current boom. Companies from Amazon to Google are trying to get into cloud games, which allows people to play games on any device. Nintendo has made little money outside of its console game business so far: Mobile games make up less than 4% of its revenue. Cloud nine probably won't last forever for Nintendo, but for now its family and console-focused strategy seems to be paying off. —*Jacky Wong*

Nintendo Switch cumulative unit sales, quarterly



Fed Doesn't Have To Wait on Washington

Federal Reserve officials have been forthright about their belief that the U.S. needs more fiscal stimulus to combat the Covid-19 crisis. But like everybody else straining to figure out the economic consequences of the election, they don't know when that stimulus might come, how big it might be or what form it would take. So just to be sure, they might draw yet more arrows from their quiver. The Fed's policy-setting committee on Thursday left overnight rates on hold, in keeping with its commitment to keep them there until it sees evidence of a tight labor market and inflation has cleared its 2% target rate. It also said it would continue to purchase Treasuries and mortgage-backed securities. For all that the central bank is already doing, the Fed remains worried about how deep a hole the economy is still in, with millions of Americans out of work and gross domestic product far below where it was before the pandemic struck. Moreover, with Covid-19 cases rising, the support that households and businesses received in the spring's stimulus rounds wearing thin and winter approaching, the economy is entering what could be a precarious period. In recent months, several Fed officials—including Chairman Jerome Powell—were unusually public about their belief that more stimulus was in order. Against many investors' expectations, that stimulus didn't come before the election. Now, with the ultimate balance of power in Washington still uncertain, it remains unclear when stimulus might arrive. Senate Majority Leader Mitch McConnell on Wednesday said Congress should pass a relief package this year. But he still has to negotiate a package with House Speaker Nancy Pelosi and get support from his own caucus members in the Senate. The eventual package would likely be considerably smaller than what House Democrats have been pushing for, and it may not include another round of

stimulus checks to households. Much still depends on the outcome of the election. With both Georgia Senate races looking as if they will go to runoffs in January, there is now an outside possibility that Democrats could gain control of the Senate. And since government support, or the lack thereof, may be one of the things Georgia voters are thinking of as they again head to the polls, those races could affect Senate Republicans' stimulus calculus in the lame-duck session. Having already done so much, it is understandable why the Fed might view fiscal policy as the better tool to provide additional support to the economy at this point, but it isn't entirely out of options. One step it might take, Evercore ISI strategists point out, would be to make a commitment to keep buying bonds until certain criteria are met, as it has with its near-zero rate policy. It might also change the composition of its purchases to target longer-duration securities, putting further downward pressure on long-term interest rates. The one thing that seems certain is the less Congress and the White House—whoever controls them—do on the fiscal front, the more stimulative Fed policy will become. —*Justin Lahart*



Federal Reserve Chairman Jerome Powell

OVERHEARD

Just when you think you've got the bats, swine and felines under control, a furry mink could weasel his way in. Denmark is calling in its armed forces. The Danish government on Wednesday said it plans to cull its entire farmed mink population, reportedly affecting up to 17 million, after finding that some of the animals have been infected with a mutation of the novel coronavirus, which has spread to humans. Danish Prime Minister Mette Frederiksen shared that the mutated virus via mink could even interfere with the effectiveness of a potential vaccine. Because of the risk, the State Serum Insti-

tute, a Danish research center focused on disease control, had concluded that continued mink farming during the pandemic posed a significant threat to public health, Ms. Frederiksen said in a Facebook post. After bats were blamed for the initial spread of Covid-19, advocacy groups were quick to promote bats' role in our natural ecosystem. Now Animal Protection Denmark, an advocacy group, has come out in favor of ending mink farming in the country entirely, which a Humane Society International representative denounced as an industry solely for the purposes of a "trivial fur fashion that no one needs," according to media reports.



GETTY IMAGES/ISTOCKPHOTO

GM's Profit Won't Move Investors on Detroit

Detroit has shown that it can deal with pandemics. The question now, particularly as results from Tuesday's presidential election continue to favor Joe Biden, is whether it can handle electric vehicles. **General Motors** reported \$5.3 billion of adjusted operating profit for the three months through September, giving a margin of 15%. This kind of profitability is what investors typically expect from other makers of technologically complex products, but remains almost unheard of in the car industry. GM's shares rose 5.4% on a strong day for stocks. Ford and Fiat Chrysler set a high bar with only slightly less spectacular numbers last week. GM has managed the challenges posed by Covid-19 particularly well, but in the latest quarter it was also helped by very unusual market conditions. Production stopped because of the lockdowns in the spring, depressing both inventory and costs. Then demand for vehicles, particularly pickup trucks, stormed back as consumers shunned public transportation and air travel. In the third quarter, the combination led to good sales and even better prices.

Profit will normalize in the current period as austerity measures unwind, yet revenue could remain strong. GM's inventories on U.S. dealer lots at the end of September were 11% above their trough at the end of June and well down from last year. It has a suite of new sport-utility vehicles. Cheap financing and the pandemic may continue to offset weakness from consumer caution at

Difficult questions about competitiveness in new technology won't be answered for years.

a time of high unemployment. With GM stock back to its pre-Covid levels, though, none of this news is likely to change investors' minds. To earn a better valuation, the largest U.S. auto maker needs to show returns on the billions of dollars going to electric vehicles. A Democratic White House would help, particularly by working

in concert with California, which sets its own rules. President Trump rolled back Obama-era emissions regulations this year, but California has only doubled down on the fight against climate change with last month's move to ban combustion engines by 2035. Vehicle manufacturers would like to avoid dual-speed regulation at all costs. However, difficult questions about the profitability and competitiveness of Detroit in the new technology won't be answered for years. GM made a high-profile show of electric-vehicle strength with last month's launch of the Hummer EV, and spent much of its call with analysts Thursday vaunting the new battery system that underpins it. The risk for the company—which highly valued electric-vehicle startups don't face—is that such products undermine others in its lineup that earned it a 15% margin in the third quarter. Until a clearer picture emerges of how the technological transition will pan out for Detroit, it is hard to see GM earning a core role in investor portfolios—however strong this year's crisis management. —*Stephen Wilmot*



Woodworking Masterpiece
A historic home in Indiana is restored. **M4**

MANSION

White Houses
Live like a ruler in one of these Greek Revivals. **M5**



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THE WALL STREET JOURNAL.

Friday, November 6, 2020 | **M1**



Bidding Gilded Glamour Goodbye

After nearly two decades of outrageous parties and one major overhaul, a couple puts their Newport manse on the market



By Candace Taylor

Behind the wrought-iron gates of this seemingly staid Rhode Island estate, a cedar-lined closet is brimming with sequined ball gowns belonging to homeowner Joshua McKinney-Zarrilli, 49. Since buying the Newport mansion with his husband in 2003, Mr. McKinney-Zarrilli has enjoyed dressing in drag for the benefit of passing tourists. “I’ll put on a hat or a wrap and go out there and scare them a little bit,” he chuckles. This is not your grandma’s Newport. Mr. McKinney-Zarrilli and his husband, real-estate developer Kenneth Zarrilli, 68, have lived for 17 years at Champ Soleil, one of Newport’s famously opulent historic mansions, and are now putting it on the market for \$14.8 million. Along with the likes of Jay Leno, they are among the new

Please turn to page M8



Matthew McConaughey in a photograph taken by his 10-year-old daughter Vida in Austin in 2020.

HOUSE CALL | MATTHEW MCCONAUGHEY

Little Mr. Texas Goes to Hollywood

The Oscar-winning actor learned audacity from his mom and common sense from his dad

By Marc Myers

Matthew McConaughey, 50, is an Oscar-winning actor who has starred in “Dallas Buyers Club,” “Killer Joe” and “Magic Mike.” He is the author of the memoir, “Greenlights” (Crown). Edited from an interview.

I was 4 when my mother left me to sink or swim. That summer, at the house of her friend in central Texas, we waded into the Llano River. I’d already had a few swimming lessons. Within minutes, I wound up in

water over my head. Mom backed up and got out. As the current slowly began to take me down river, she walked along the bank at the same pace. I flailed and Mom shouted, “Swim! Or you’re going over the falls.” I panicked but quickly lowered my head in the water, kicked and used my arms to reach the bank. Coming out, I wasn’t angry. I was proud of myself. My family first lived in Uvalde, Texas, in a one-story, mustard-color wooden house on

Please turn to page M14

PRIVATE PROPERTIES



Robert F. Smith Buys Big in Palm Beach

Robert F. Smith, a billionaire private-equity executive and the richest Black person in the U.S., has bought a pair of North Palm Beach, Fla., properties from energy drinks entrepreneur Russ Weiner for \$48.19 million, according to three people familiar with the deal.

The deal closed last month, around the same time as Mr. Smith's \$139 million settlement with the Justice Department, the result of a lengthy criminal tax probe by the department. The chief executive of private-equity firm Vista Equity Partners is also known for announcing last year that he would pay off the college debt for the graduating class of historically Black Morehouse College in Atlanta.

The North Palm Beach properties are in Seminole Landing, a private, gated community located on the Atlantic Ocean and next to Seminole Golf Club.

SOLD
\$48.19 MILLION
Pair of properties, wine cellar, putting green, sports court

The property includes a wine cellar, a putting green, a sports court, a roof deck, a theater and a subterranean gym with an observation window that looks directly into an outdoor swimming pool with a waterslide.

Mr. Smith's settlement with the Justice Department came after he admitted he criminally evaded taxes on more than \$200 million in proceeds from his first private-equity fund that had been deposited into a Caribbean entity.

While some of the money in the offshore entity ultimately went into Fund II Foundation, a charity Mr. Smith created in 2014, he withdrew millions in untaxed funds for his personal use and used untaxed income to buy and renovate a vacation home in Sonoma, Calif., to purchase two ski properties and a piece of commercial property in France and to make improvements to a residence in Colorado, according to a statement he signed as part of a nonprosecution agreement with the government.

Meanwhile, Robert T. Brockman, the sole investor in Vista's maiden fund, was charged with concealing roughly \$2 billion in income from U.S. tax authorities. Officials dubbed it the largest criminal case ever brought against a person accused of evading U.S. taxes. Mr. Brockman pleaded not guilty on all counts and was released on a \$1 million bond.

Mr. Smith owns a \$59 million penthouse at a luxury condo building in Manhattan's Chelsea district as well as two high-end homes in Malibu, Calif., records show.

—Katherine Clarke and Miriam Gottfried

They were owned by Swedish former model Elin Nordegren, ex-wife of golfer Tiger Woods. She sold the homes to Mr. Weiner last year for \$32.89 million, records show.

The British West Indies-style property commissioned by Ms. Nordegren totals 25,878 square feet and has 11 bedrooms, 15 full bathrooms and three half bathrooms, The Wall Street Journal reported when she first put the property on the market in 2018.



Former Yankee Mariano Rivera Lists His N.Y. Home



Purchased in 2006 for \$5.7 million

Mariano Rivera, the retired Major League Baseball pitcher who played 19 seasons for the New York Yankees, is listing his home in Rye, an affluent community in Westchester County, N.Y., for \$3.995 million.

Mr. Rivera and his wife Clara Rivera bought the property in 2006 for \$5.7 million, according to listing agent Heather Harrison of Compass, who is co-listing the property with colleague Alex Grapstein. Ms. Harrison said the lower price reflects the fact that the Riveras bought the property brand new from a developer at the height of the market and were the first people to live there.



A wood-paneled sports bar

FOR SALE
\$3.995 MILLION
13,000 sq. ft., two dining areas, dramatic entry hall

The couple is selling because their three children have grown, and they want to take advantage of the uptick in the market in the New York suburbs that has occurred amid the pandemic, Mr. Grapstein said.

The facade of the roughly 13,000-square-foot, nine-bedroom Rye property features a pair of turrets, large bay windows and a

second-floor terrace. It has a dramatic double-height entry hall with a double staircase, paneled walls and coffered ceilings and a series of expansive living rooms. There are two dining areas: a formal room with an ornate fireplace and chandeliers, and a smaller area off the kitchen with a domed ceiling, according to the agents.

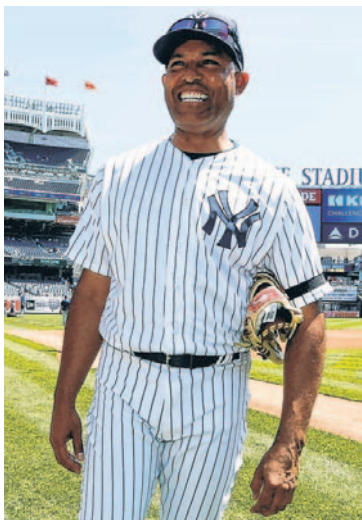
There is also a wood-paneled

sports bar, an office, a billiards room, a home theater and an outdoor pool and basketball area.

Mr. Rivera won a World Series with the Yankees in 2009 and was inducted unanimously into the Baseball Hall of Fame while living there, Mr. Grapstein said.

The Riveras declined to comment. The couple sold their lakefront home in Tampa, Fla., last December for \$3.2 million, records show.

—Katherine Clarke



COMPASS (3); JIM MCISAAC/GETTY IMAGES



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Opulent Southampton villa on 1.2 acres of manicured gardens. \$6.95M. Catherine Juracich +1 212 641 3767. Brian Meier +1 212 641 3732. Kate Meier +1 212 641 3736.
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Perfect pied-à-terre on Billionaire's Row. 11-foot ceilings and floor-to-ceiling windows. 1 bedroom, 1.5 baths. \$4M. Erin Boisson Aries +1 212 636 2638. Dustin Crouse +1 212 468 7139.
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WINDWARD FARM, NEW JERSEY
Set on 125 acres with 18,000+ sq ft of living space, vineyard, apiary, pool, tennis, squash, magnificent views & quality. \$12M. Priscilla Reynolds. +1 201 675 0190
Christie's International Real Estate Northern NJ



NEWPORT, RHODE ISLAND
Seaward is a private oceanfront compound spanning 45 acres w/ 2 houses and a 2-lot subdivision pending approval. \$35M. Kendra Toppa. Web ID: 1266657 +1 401 339 6233
Lila Delman Real Estate



BIGFORK, MONTANA
The Golden West Lodge is a historic estate with 7 restored cabins on Flathead Lake. 15 acres and 888 ft of lake frontage. MLS #22013256 \$19M. David Fetveit. david@purewestmt.com
PureWest Real Estate



DELRAY BEACH, FLORIDA
Resort living on 1.3 acres across from the ocean in Delray Beach. \$12.5M Web ID: f389473492. Pascal Liguori. +1 561 789 8300
Premier Estate Properties



ST. CROIX, US VIRGIN ISLANDS
Pyramid Point, an architectural tour de force commanding a private peninsula on St. Croix. Motivated seller. \$8M. Danielle Austin. +1 561 307 8208
Christie's International Real Estate



NEWPORT, RHODE ISLAND
Beacon Hill House, an 8,364 sq ft home, sits on the highest hill in Newport. Sited on the original Arthur Curtis James Estate. \$7.5M. Kim Doherty. Web ID: 1264655 +1 817 703 7491, margaretc@ulterre.com
Lila Delman Real Estate



NEWPORT, RHODE ISLAND
Custom new construction with modern amenities. This 5,000+ sq ft shingle home overlooks Newport Harbor. \$7.475M. Cynthia Moretti. Web ID: 1229305 +1 401 374 3444
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TELLURIDE, COLORADO
Iconic downtown setting, 3,414 sq ft plus garage. 4 beds + guest apartment. Classically graceful lines, natural light & mountain views. \$6.9M. Tobin Brown. +1 970 729 0456
Telluride Real Estate Corp.



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Lila Delman Real Estate



DELRAY BEACH, FLORIDA
Contemporary architectural estate across from Atlantic Ocean. Ocean views from every level. \$5.995M. Pascal Liguori. Web ID: f982857308 +1 503 789 3977, lisamarie@luxecir.com
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FORT WORTH, TEXAS
Rivercrest hilltop estate on 2.3 acres. Donning grand entry, 3 levels, wine room, infinity pool w/ treetop views from every floor. \$4.95M. Margaret McDermott Coulborn. +1 817 703 7491, margaretc@ulterre.com
Ulterre



CHARLESTON, SOUTH CAROLINA
Georgian Revival-style home situated on a double lot in premier downtown location. Radiates classic Southern charm with impeccable finishes. \$3.25M. Helen Geer. helengeer@williammeans.com
William Means Real Estate



WILTON, CONNECTICUT
Spectacular presence on 2.8 exquisite acres w/ pool & separate guest apartment. 5 beds, primary suite w/ balcony, multiple offices, wine cellar. 1hr to NYC. \$2.995M. Karla Murtaugh +1 203 856 5534
Neumann Real Estate



THE WOODLANDS, TEXAS
Private French château-inspired residence on 1-acre lot within the gated community of Palmer Crest in The Woodlands. \$2.7M. Nikki Hohman. nikki.hohman@nanproperties.com
Nan and Company Properties



NEWBERG, OREGON
Stunning views of Yamhill County vineyards & coastal range. Built 2018. 16+ acres, custom 6,700 sq ft, 5 beds, 6.5 baths, gallery/shop. \$2.5M Lisa Hamilton. +1 503 789 3977, lisamarie@luxecir.com
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RIDGEFIELD, CONNECTICUT
Nantucket gem w/ superb pool at NY border. New kitchen, multiple offices, en suite beds, wine cellar + guest suite & 6 garages on 4 private acres. \$1.795M. Karla Murtaugh +1 203 856 5534
Neumann Real Estate



RIDGEFIELD, CONNECTICUT
Spectacular setting with 50 mile views & room for pool. Chef's kitchen, multiple offices, lovely primary suite w/ sitting room, vaulted bonus room. 1hr to NYC. \$1.77M. Karla Murtaugh +1 203 856 5534
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HOBE SOUND, FLORIDA
New luxury townhome in private gated Hobe Sound Courtyards community. Near shops, restaurants & pristine beaches. \$1M. Joanne Wagner. +1 561 373 3127
Fenton & Lang



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Coastal Properties Group International



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Christie's International Real Estate



CORNELIUS, NORTH CAROLINA
Open floor plan w/ luxury features throughout. Gourmet kitchen, 2-story great room. Backyard oasis w/ stone fireplace for entertaining. \$899,900. Sherry Hickman. +1 704 728 1905
Ivester Jackson Distinctive Properties



TAMPA, FLORIDA
Renovated, move-in ready 6th-floor condo w/ 2 beds, 2 baths, spacious 1,800 sq ft open floor plan. Urban lifestyle at this waterfront location. \$869,900. Kelly Parks. +1 813 579 2816
Coastal Properties Group International

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785 5th Ave, NY • 6 BD 4 BA 1 HB • \$19,900,000
Prime 5th Ave loc, CP views. White glove co-op.
Alexa Lambert • alexa.lambert@compass.com



69 E 82nd St, NY • 6 BD 6 BA • \$16,400,000
Renov 20' wide brownstone TH. Garden & terr.
Alexa Lambert • alexa.lambert@compass.com



252 E 57th St, NY • 3 BD 3 BA 1 HB • \$9,475,000
Lux 2,996 SF, vus from walls of glass in every rm.
Pamela D'Arc • pamela.darc@compass.com



319 E 6th St, NY • 7 BD 6 BA 1 HB • \$8,395,000
Stately 3-unit TH with garden oasis & roof deck.
Ivana & Kyle Team • ikt@compass.com



21 E 79th St, PH, NY • 2 BD 4 BA • \$7,500,000
Astonishing penthouse, wrap terrace. 2 wbfplcs.
Eland Blumenfeld Team • celand@compass.com



45 E 22nd St, 38A, NY • 2 BD 2 BA • \$7,495,000
Glamorous Flatiron condo with panoramic views.
Elizabeth Goss • lib.goss@compass.com



1 Beach Ave, NY • 6 BD 5 BA 2 HB • \$5,695,000
Larchmont one of a kind waterfront escape.
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336 W End Ave, NY • 4 BD 4 BA • \$4,150,000
Sunny, loft-like, 8 rooms with oversized windows.
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530 E 86th St, 5A, NY • 3 BD 2 BA • \$3,150,000
Classic mod style. Kit open to entertainment rm.
Parachini + Church • kim.church@compass.com



520 E 86th St, NY • 3 BD 2 BA 1 HB • \$2,995,000
Grand living in a full service pre-war co-op.
Kathy Kaye • kathy.kaye@compass.com



168 E 74th St, NY • 3 BD 2 BA 1 HB • \$2,795,000
Renovated classic 7, open views, washer/dryer.
Richard H. • richard.herschenfeld@compass.com



400 Park Ave S, NY • 2 BD 2 BA • \$2,425,000
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Manhattan

80 Columbus Cir | 6 BD 5 BA 2HB | \$25,000,000
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1120 5th Ave, 3A | 5 BD 5 BA | \$8,495,000
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322 E 57th St | 3 BD 3 BA 1 HB | \$6,500,000
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784 Park Ave, 9B | 4 BD 4 BA 1 HB | \$6,395,000
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340 E 72nd St, PH | 3BD 3BA | \$5,800,000
Full flr, sunny, pre-war, vus, 2 wbfplcs, wrap terr.
Carol Mann • carol.mann@compass.com

136 E 19th St | 3 BD 2 BA 1 HB | \$5,500,000
Mint Gramercy duplex TH condo, priv roof deck.
Cornelia V. • cornelia.vanamburg@compass.com

346 W 15th St | 5 BD 4 BA 1 HB | \$4,995,000
Chelsea 2 fam Greek reviv TH, 3 wbfplcs.
Jane Gardner • jane.gardner@compass.com

25 CPW, 10N | 2 BD 2 BA 1 HB | \$4,495,000
Six rm white glove pre-war condo, 26' of CP vus.
Eland Blumenfeld Team • celand@compass.com

630 Park Ave, 10C | 3 BD 3 BA | \$4,250,000
Sun-filled, high floor modern pre-war co-op.
Cian Connor • cconnor@compass.com

18 Leonard St, 5B | 3 BR 2 BA | \$3,998,000
Prime Tribeca loft condo, working fplc, drmn.
Susan Wires • susan.wires@compass.com

27 W 19th St | 3 BD 2 BA 1 HB | \$3,850,000
Flatiron Condo duplex w 500 SF private garden.
Julie Perlin • julie.perlin@compass.com

222 CPS, 1620 | 2 BD 2 BA | \$3,600,000
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Sassy Johnson • sassyjohnson@compass.com

Manhattan + Queens

117 E 57th St, 41CD | 2 BD 2 BA | \$3,550,000
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C. Miller Martin • christine.martin@compass.com

40 E 84th St | 3 BD 4 BA 1 HB | \$3,500,000
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C. Miller Martin • christine.martin@compass.com

50 W 96th St, 16A | 3 BD 2 BA 1 HB | \$3,450,000
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Eland Blumenfeld Team • celand@compass.com

435 E 52nd, 10A2 | 3 BD 3 BA 1 HB | \$3,450,000
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82 Tennis Pl | 5 BD 4 BA 1 HB | \$3,298,000
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Lauren Pelletier • lpelletier@compass.com

2 Horatio St, 3G | 2 BD 2 BA | \$3,295,000
WV 2/2 in Bing & Bing. F/S, pre-war details.
Cornelia V. • cornelia.vanamburg@compass.com

25 E End Ave, 8E | 3 BD 3 BA 1 HB | \$3,050,000
Approx 2,375 SF, 7 rm pre-war, 28' of river views.
Eland Blumenfeld Team • celand@compass.com

27 Leonard St, 2 | 3 BD 2 BA | \$2,998,000
Prime Tribeca loft, exposed brk, 2 expos, hi ceils.
A. Bergman Bonomi • abonomi@compass.com

145 CPW, 7CC | 2 BD 2 BA | \$2,950,000
Spacious, south facing San Remo pre-war co-op.
Catherine Harding • charding@compass.com

1112 Park Ave, 8C | 2 BD 2 BA 1 HB | \$2,395,000
Large 2,350 SF 6 room pre-war. LR with wbfplc.
Eland Blumenfeld Team • celand@compass.com

535 Park Ave, 2C | 2 BD 3 BA | \$2,250,000
Fab & grand, E&W vus from 5 windows, wbfplc.
Eland Blumenfeld Team • celand@compass.com

40 E 78th St, 3H | 3 BD 3 BA | \$2,200,000
Spacious 1,800 SF FS condo, near Madison Ave.
Julie Perlin • julie.perlin@compass.com

333 E 68th St | 3 BD 3 BA | \$2,195,000
Spacious, sunny, quiet pre-war duplex, 2 wbfplcs.
James Hall • jameshall@compass.com

200 E 89th St, 40D | 3 BD 2 BA 1 HB | \$2,150,000
Sunny, hi flr crnr condo, vus of CP. FS, 24hr drmn.
Alexa Lambert • alexa.lambert@compass.com

230 E 18th St, 1C | 3 BD 2 BA | \$2,150,000
1700 SF parlor floor triplex. Pre-war details.
Cornelia V. • cornelia.vanamburg@compass.com

Manhattan

860 UN Plaza, 15B | 2 BD 2 BA | \$1,875,000
Elegantly renovated, city views, 2 expos. DM.
Julie Perlin • julie.perlin@compass.com

308 E 79th St, 4A | 3 BD 2 BA | \$1,825,000
Modern & sunny turn key, pre-war details. Drmn.
Cornelia V. • cornelia.vanamburg@compass.com

125 E 74th St, 4A | 2 BD 2 BA | \$1,575,000
FS 5 room pre-war co-op. LR w wbfplc, hi ceils.
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117 E 57th St, 41E | 1 BD 1 BA | \$999,999
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35 Park Ave, 5F | 1 BD 1 BA | \$799,000
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51 5th Ave, 16A | 2 BD 2 BA | \$11,995/mo
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PRIVATE PROPERTIES



A Richard Meier Modern With An Outdoor Slide Up for Sale

In an exclusive area known as the Gold Coast of New York's Long Island, a modern home that was remodeled by prominent architect Richard Meier—and comes with an outdoor, three-story slide—is coming on the market for \$18 million.

In Sands Point, N.Y., a neighborhood filled with lavish turn-of-the-century estates and which inspired the location of East Egg in “The Great Gatsby,” the roughly 3-acre property named Steamboat Landing is owned by the Maidman family. Harry Maidman said his grandfather Richard Maidman, a prominent New York City landlord, bought the property in 1971 from the Brooklyn Archdiocese, which used it as a retreat for nuns, and hired Mr. Meier to reimagine it. The elder Mr. Maidman died in 2016, and the property is now held in a family trust.

The Maidman house came along early in Mr. Meier's career, well before he designed the Barcelona Museum of Contemporary Art in Spain or the Getty Center in Los Angeles. At the time, the house was in poor condition and lacked “an identifiable style,” according to Mr. Meier's website. “What it did have was a magnificent setting, including 100-year-old maple and oak trees and a park-like surround sloping gently down to a sandy beach.”

Mr. Meier extensively renovated the roughly 4,600-square-foot, three-level property and reconfigured it, putting the common family areas on the ground floor, the master bedrooms on the middle floor and the children's bedrooms on top. The geometric white house has a curved facade and clerestory windows. Mr. Meier also designed all of the built-in furniture, which will be included in the sale.

The corkscrew slide serves the top-floor bedrooms. It was the brainchild of Mr. Maidman's first

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wife, Lynne Maidman Manning, who attended a school with a similar slide in Arizona during World War II and fell in love with the idea, her grandson said.

“I used to go down it as a little kid and wave at my granddad reading the paper in the garden,” said Harry Maidman, 24, a law student who works part time for the family real-estate company. “Many a Maidman kid and grandkid has slid down there.”

The main house also has five

bedrooms, a double-height open-plan living and dining room, a library, an office and large picture windows that look onto Hempstead Harbor, a bay on the coast of the Long Island Sound. The property, about a 45-minute drive from Manhattan, also includes a tennis court, a seven-car garage, a boathouse as well as an ice house that the family has used both for storage and as a darkroom for photography, Harry Maidman said. A cottage on the property has an additional three-bedroom apartment and a studio apartment.

The property underwent a small renovation after the elder Mr. Maidman's death, which included updating the kitchen, Harry Maidman said. He said all the changes were run past Mr. Meier for approval to preserve the architectural integrity of the house.

Mr. Maidman said the family is listing the property because they are spread across the country and don't make enough use of it. “It's time for another family to enjoy it,” Mr. Maidman said.

Bonnie Doran of Daniel Gale Sotheby's International Realty has the listing.

—Katherine Clarke

Epstein Estate to Be Razed

Todd Michael Glaser, a Florida real-estate developer, said he has signed a contract to buy a Palm Beach waterfront property from the estate of the late financier and convicted sex offender Jeffrey Epstein.

The Epstein house came on the market in July for \$21.995 million.

Mr. Glaser said that the deal is slated to close in December, after which he plans to tear the property down and replace it with a 14,000-square-foot Art Moderne home. Mr. Glaser is known for building elaborate spec mansions, such as a home on Miami's Star Island that recently sold for about \$49.5 million.

He was also one of the developers of the One Thousand Museum tower designed by the late Zaha Hadid in downtown Miami.

“Palm Beach is going to be very happy that it's gone,” he said of Mr. Epstein's home.

Mr. Glaser declined to comment



on what he and his partners are paying for the house beyond stating that they received a discount. Another person close to the deal said the price was close to \$18 million.

The compound is in a pricey part of Palm Beach, roughly a mile from Mar-a-Lago, President Trump's private club, and just a few streets from the Everglades Golf Course.

The property has roughly 170 feet of water frontage on the Intracoastal Waterway, with space for a dock and views of Tarpon and Everglades islands, listing agent Kerry Warwick of the Corcoran Group told The Wall Street Journal when the property came

on the market. The six-bedroom, roughly 14,000-square-foot house was designed by architect John Volk in West Indies style.

Mr. Epstein bought the house for \$2.5 million in 1990, records show. In addition to his New York townhouse, it played a central role in his alleged sex-trafficking schemes, according to prosecutors. He allegedly enticed and recruited underage girls to the property to engage in sex acts.

A spokesman for Mr. Epstein's estate wasn't available for comment.

The New York townhouse is still on the market, asking \$88 million, according to the website of the listing agent, Adam Modlin of Modlin Group.

—Katherine Clarke

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INSIDE STORY

History in a Small Town

In Shelbyville, Ind., a couple spends many days working on a grand, 120-year-old property

By MEG ST-ESPRIT

Downsizing had always been the plan for Bill and Jess Nicholson of Avon, Ind. They hoped that once their daughters left the nest, they could sell their 4,800-square-foot home and move into an easy-to-maintain bungalow with a pool. Generic in design and construction, their longtime home never much inspired the couple. “The home served us well, but we were ready for something smaller,” Mr. Nicholson said.

Instead, in 2018, an eBay purchase of a display case sent Mr. Nicholson on the 45-minute drive to a historic home in nearby Shelbyville, a small town outside Indianapolis with 20,000 residents and a National Historic District with nearly 400 certified structures showcasing Queen Anne, East-lake Movement and Colonial Revival architecture. Mr. Nicholson left with the case, but also left intent on purchasing the grand, 120-year-old Victorian where the seller was living. “I know we wanted to downsize, but more than a pool, Jess has always wanted a wrap-around porch....”

As it turns out, the owners had been looking for the right buyer, and connected with Mr. Nicholson as he pondered out loud about the history the old home had seen. The Nicholsons bought the four-bedroom, three-bath, 6,892-square-foot home in January 2019 for \$255,000.

At the turn of the century, Shelbyville’s large supply of white oak and walnut trees made the town a furniture hub that drew some of the finest craftsman in the nation. The builder of the Nicholsons’ home was Charles Davis, who was sent to Shelbyville at age 15 to sweep wood shavings at a table factory, and by the time he built the home was a wealthy 29-year-old partner in the same factory.

With some of the nation’s best craftsmen at his disposal, Mr. Davis spared no expense on the interior woodwork, according to Alex Krach, director of the Grover Cen-



Purchased in 2019 for \$255,000.
Current estimated value: \$319,000.



The fireplace is custom Russian Green Onyx.

ter at the Shelby County Museum and Historical Society. For example, Mr. Davis chose pieces of South American mahogany for two wide pocket doors, and then maintained them annually using the team of woodworkers who created them.

The Nicholsons credit the prior owners, Stephen and Linda Gillaspys, who have become friends and live just down the street, with over \$100,000 in renovations to the home, including a new kitchen. (Ms. Gillaspys died after the move.) Since their purchase, Mr. and Mrs. Nicholson have assumed the work of maintaining the home. They’ve done most of the work themselves, and it is a job Mr. Nicholson describes as “never ending.”

They’ve stripped many walls down to bare plaster and re-paired them, and, to return the space to its historical floor plan,

removed several false walls blocking doorways that were added by previous owners. They’ve ripped out carpet and wallpaper in every room, much of it 50 years old and deteriorating.

Mr. Nicholson loves to point out a flaw in the soaring rafters: Two were charred from a fire in the early 1930s. Previous owners kept the beams when they rebuilt “to remind those in the future that there had been a fire,” said Mr. Nicholson, who thinks the damaged wood serves as a remembrance of the destruction and rebirth of the home. The Nicholsons are also proud of a custom Russian Green Onyx fireplace in the parlor.

Custom leaded glass remains intact on many of the windows, including six that surround the turret that is used for many special events and romantic meals. The Nicholsons themselves re-

A purchase on eBay led Bill and Jess Nicholson, top right, to buy this 120-year-old Victorian property. Furnishings include a 1940s fountain pen display case that covers an entire wall, above right.



cently celebrated their 20th-wedding anniversary with dinner in the turret. Jess was completely bowled over by the experience.

“It was certainly a surprise. Like so many weekends I thought it was just another trip to Shelbyville for the normal weekend of manual labor. In typical Bill fashion he went over the top to make the evening special,” she said.

Furnishing the home has also been a big expense, and the Nicholsons said they have spent around \$25,000 so far on antiques.

Two favorite purchases include a wall pipe organ from an old vaudeville theater in Chicago, and a 1940s fountain pen display case that covers an entire wall and was once used in a department store. The Nicholsons also purchased a collection of 2,000 whiskey decanters from John White, former head curator of the National His-



tory Museum in Washington, D.C. One particular set, the custom dining table and chairs, has always been in the home. An appraisal completed by Christy’s of Indiana values the table and 10 chairs at \$18,800, though the set was gifted to the Nicholsons by the Gillaspys, who could not bear to see the set leave the spot it had always occupied.

The two-toned teal, wooden exterior showcases the intricate Victorian gingerbread woodwork on both the home and gatehouse. The Gillaspys took six years to repaint the home, and the Nicholsons are beginning the pricey process again to keep the wooden siding in its current state. The Nicholsons have spent over \$10,000 on maintenance in the two years they have owned the home. They currently are preparing to jack up the home to renovate the original foundation, which is cracking.

As Mrs. Nicholson, a 41-year-old nurse practitioner specializing in infectious diseases, and Mr. Nicholson, 44, who works in commercial lending, await their youngest daughter’s graduation from high school in a few years, they spend weekends at the mansion. They have also listed it as a vacation rental as they prepare to make it their “forever home.”

A recent informal appraisal placed the home at \$319,000 market value. In a town with a median sale price of \$142,000, the grand home is at the top of the market for the area.

“I am a dreamer. My wife is practical. This isn’t our job, this is our passion,” said Mr. Nicholson.

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THE BLVD COLLECTION



TURNBERRY OCEANA CLUB RESIDENCES

The holidays may look different this year, but luxury properties like Oceana Bal Harbour in Bal Harbour, Florida, and The BLVD Collection in Jersey City, New Jersey, are working overtime to bring the season’s warmth and joy to residents and families seeking to reconnect.

In a year filled with stresses, “home” has taken on a new meaning

by Kelly Bryant

Driving through the gates of Harbour Ridge, a waterfront community in Palm City, Florida, it’s hard not to feel instantly more relaxed. The picturesque property is part of the region’s Treasure Coast, on the shores of the St. Lucie River, with views straight from a postcard. And it isn’t merely the scenery that washes away worries; it’s Harbour Ridge’s commitment to providing a safe sense of normalcy in unprecedented times.

The Wall Street Journal news organization was not involved in the creation of this content.

“When the pandemic hit, many members shared that they felt like life remained mostly unchanged as they were in their ‘safety bubble,’” says Michael J. Salerno, general manager and COO of Harbour Ridge Yacht & Country Club. “They were still comfortable enjoying life here safely. Seasonal residents stayed longer than they would typically — with staff providing grocery deliveries, an onsite green market, the ability to golf and boat, and a host of other activities.”

As residents return to the property to reconnect with loved ones over the holidays, the staff is doubling down on these comforts with many of their annual festive events in place, albeit altered for safety. For instance, this year’s 5K Turkey Trot will be held virtually.

“We still have our family-friendly outdoor Winter Wonderland event, complete with snow, cookie decorating

Continued on next page



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THE BLVD COLLECTION



HARBOUR RIDGE

Staff at The BLVD Collection in Jersey City, New Jersey, and Harbour Ridge in Palm City, Florida, are planning safe but festive holiday events for residents.

Continued from previous page

and pictures with Santa at our riverfront dining venue, Dockside,” Salerno says. “And there’s a holiday boat parade and outdoor tree lighting ceremony for all members and their families to safely enjoy by the riverfront. We are continuing to plan events for the season as best and safely as possible.”

Those remaining physically distant from relatives outside of their immediate household during a time of year when family is everything can still take solace in the warmth of such a close-knit community.

“Our staff gets to know our members, their families and guests,” says Salerno. “They have a service-led heart where they genuinely want to help and provide memories that last a lifetime.”

LUXURY MEETS COMFORT

Life is similarly community-centric at Oceana Bal Harbour in Bal Harbour, Florida, a development which offers resort-style condo living with lavish amenities the likes of which would make anyone never want to leave home.

One of these luxuries is the property’s on-site restaurant, which offers a menu of globally inspired

fare that is meant to feel like an extension of a resident’s own kitchen. Ernesto Cohan, director of sales for Oceana Bal Harbour, sees this feature gaining in popularity this holiday season as families put more focus on reconnecting with loved ones and less time doing the prep work to entertain.

“Our restaurant is still operating at 50% capacity, but many people are ordering catering for delivery to their apartment when they don’t feel like cooking,” he says. “For the holidays, we’re gearing up for a lot of residents to take advantage of what they’re doing in the restaurant. They will have different menus available, of course, for Thanksgiving, Christmas and New Year’s.”

Cohan says Oceana will continue its tradition of decorating the building in the spirit of the season, while also offering festive, but safe, entertainment like live music. He notes that now, more than ever, with people leaving the property less frequently, these special touches are incredibly important.

Twinkling lights and garlands aside, Cohan is impressed with the way Oceana’s residents are adapting to accommodate the new normal. With college-age kids returning home from campus and younger children still engaged in distance learning, residents are utilizing all the spaces offered to give

family members a change in scenery while keeping everyone close.

“We have four cabanas you can reserve for the day, and some people have used that as an extension of their apartment,” he says. “They rent them for the day for kids to do their homework or attend virtual school. As a developer, you don’t think that cabanas are going to be used that way, but that’s where we are today.”

COMMUNITY AND CONNECTION

In Jersey City, New Jersey, a short jaunt from New York City, staff at The BLVD Collection, a community of three luxury apartment buildings, are busy anticipating the needs of the property’s residents. With many people holding off on holiday travel during the pandemic, Juan Lent, vice president of property management with Roseland Residential Trust, wants to make sure residents feel particularly joyful at home this year and beyond.

“Everyone is trying to figure out their holiday plans, and we understand families might not be able to celebrate together as they normally would,” he says. “We are ensuring that our residents have access to safe, clean amenity spaces, such as a

Continued on next page



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Luxury Homes & Developments



ALINA Residences in Boca Raton, Florida, provides incoming residents with outdoor amenities that easily double as an open-air workspace.

ALINA RESIDENCES

High-end residences max out on work-from-home advantages

by Kelly Bryant

At one time, securing a corner office, or one with a view, was the kind of perk someone starting out in their career aspired to achieve. “With all the different spaces we offer that are accessible to our homeowners, they can feel like they’re getting away and not just living and working inside their own unit,” says Donna Smith, sales and marketing director for Windrose Tower Residences in Plano, Texas, noting the luxury high-rise’s shared areas, which include a stunning lobby living room and library, private owners’ lounge and conference center.

“Having these different amenities allows homeowners to leave their unit and feel like they’re going to the office when really they’re just going downstairs to the conference room to do their work or the main lobby where there’s plenty of seating available. You can feel like you’re stepping out and into a professional persona without actually leaving the premises.”

For those who prefer the sort of privacy their individual residence provides, Smith says that many units have what can be used as a dedicated office

space. However, she has seen folks choosing to set up their laptops in the building’s Windrose Aqua Lounge, which was designed to accommodate large groups so it’s equipped with a lot of seating, or The Pub, which features a bar, billiards and a balcony to get a much-needed breath of fresh air.

“Our residents probably never would have gone to The Pub to open their computer and get a bit of work done before the pandemic,” Smith says. “But now it just gives them that break, that change in scenery that can be energizing. Looking at the same thing all day can be very tiring.”

AWAY FROM IT ALL

When owners move into their new homes at ALINA Residences in Boca Raton, Florida, in early 2021, the views may inspire them to conduct business while hitting the links instead of sitting through another virtual meeting.

“Our expansive terraces in each unit offer an indoor-outdoor living experience,” says Candace Jorritsma, director of sales and marketing at El-Ad National Properties, the developer behind ALINA Residences. “With Florida’s year-round sunshine, residents are

looking for outdoor spaces to work from when they need a change in scenery. ALINA overlooks the iconic Boca Raton Resort & Club with units providing city or golf course views.”

Jorritsma explains that many of the luxury building’s units are equipped with a den, which easily serves as a customizable flex space. In fact, ALINA has even collaborated with Sklar Furnishings as a furniture partner to help residents outfit their homes, and this particular interchangeable space, to their tastes and needs. It’s never been easier to swap out a room’s functionality.

“This means the den can become an office during the day, a guest room or even a meditation space,” she says. “The options are endless.”

When the workday requires a peaceful lunchtime respite, working remotely from ALINA has its privileges, with a sprawling 32,000 square feet of outdoor space including everything from an area set aside for yoga to a rooftop pool deck, complete with cabanas and lounge areas.

Kelly Bryant is a freelance writer in Los Angeles specializing in real estate and lifestyle topics.

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So, you didn't win the election. You can still feel like a ruler in one of these homes. The White House, built between 1792 and 1800, is a Greek Revival, according to Kate Reggev, a historian and architect at the firm of Beyer Blinder Belle. The style, noted for its front portico, triangular, gabled roof, and Ionic or Doric columns, became popular in the early 1800s when English architects arrived in the United States following tours of Athens, fresh with inspiration from their travels, Ms. Reggev said.

It remained de rigueur into the 1860s, and was used for public buildings, banks and residences. It was attractive due to its simple, flexible floor plan that could easily be expanded, she said. Today, Greek Revivals largely follow the same blueprint: white painted, classical homes that often resemble the White House.

But how does one keep a white house white? The presidential residence requires 570 gallons of paint to cover its exterior, according to the government's website. It is cleaned and touched-up annually, repainted when needed, and fully repainted every four to six years, said Amanda Laughead, digital content and communications manager of The White House Historical Association.

Maintenance on your own white home need not be as labor intensive. Stephen Fanuka, a New York-based contractor and owner of Fanuka Inc., recommends a full exterior paint job once every seven to 10 years, consistent cobweb removal, yearly re-caulking around windows and doors, and touch-ups. "Keep record of the paint, because there's a thousand different whites," he says.

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MANSION

ANNOTATED ROOM

That Old Southern Charm

A couple devote several years to furnishing a 1854 Federal-style mansion in Savannah

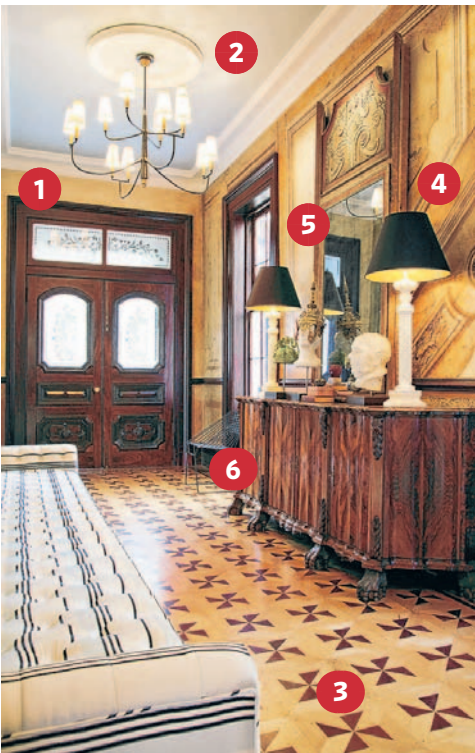
By RIMA SUQI

Looking at it today, one would never guess that this 1854 Federal-style mansion on a trust lot in Savannah, Ga., was a run-down mess when the current owners purchased it 15 years ago. The historic, redbrick home hadn't been renovated since the 1930s and didn't even have a proper kitchen. The owners tapped A. Thagne Schreyer of Arabeit Studio for the six-year architectural restoration that preserved the historical finishes and proportions while creating a contemporary home for their young family, and tasked Rebecca Gardner, a Savannah-based designer and longtime friend of one of the owners, with the interiors. It was her first professional project, and it took several years and about \$300,000 to furnish the 9,000-square-foot, five-bedroom home. "My client wanted something with soul, and not all of it had to be perfect all at once, which made for a really long project," she said. "But the house has a great personality and is very authentic because of that patience. It's a real love letter to Savannah."

Here are some design elements, and prices where available.

\$300,000

Cost to decorate the 9,000 sq. ft., five-bedroom house



FOYER

The entry doors [1], plaster ceiling [2] and parquet floors [3] were original to the home and restored, as was the trompe l'oeil painting [4] on the wall, which had been covered with multiple layers of wallpaper. Ms. Gardner made the mirror [5] using an antique poster frame from a 1930s cinema. It hangs above a 19th-century Renaissance Revival burled German walnut serpentine front buffet [6]. *Price for frame \$5,200; buffet, \$7,500. Both from Peridot Antiques.*



LIVING ROOM

The living room ceilings have a hand-stenciled plaster molding [1] that dates to 1896. A pair of "gasoliers" (gaslight chandeliers) [2] were installed the same year, and a giltwood mirror [3] is also original—all were restored. The John Derian sofas [4] were "another nod to our determination to be high and low with respect to a house with young children," said Ms. Gardner. She upholstered the seat of an armchair and top of the matching ottoman [5]

with an antique Chinese Khotan rug, and the rest of those pieces with a linen fabric. Floors are covered with custom banana silk rugs, [6] which "show wear pretty quickly, giving them an immediate patina," said Ms. Gardner. A brass cocktail table [7] by Nada Debs is one of the more modern pieces in the space; its hinged design allows it to expand or contract as needed. *Price for sofas \$11,700 from Cisco Brothers; armchair and ottoman, \$8,060; rugs, \$12,350 from Vademloom; table, \$7,500 by Nada Debs.*



LIBRARY

A collection of antique rugs [1] from one of the owner's childhood homes line the floors of this gentleman's library, which also boasts a Greek Revival-style "gasolier" light fixture [2] that was partially electrified in 1869 and remains a gas-electric hybrid to this day. The room is lined with custom-made bookshelves [3] and anchored by an antique parquetry table [4] originally from the Ceylon (now Sri Lanka) Pavilion at the 1904 World's Fair (\$7,500 from Peridot Antiques). Set in front of the table are a pair of custom-made mushroom poufs [5] upholstered in a Donghia fabric. *Price for pair of poufs, \$3,380 from Rebecca Gardner, Houses & Parties.*



DINING ROOM

Custom dining chairs [1] upholstered in Fortuny cotton and sporting Houles key tassels are set around a table [2] that has been in the home since about 1896, when Captain O'Connor, the property's second owner, purchased it. An early 20th-century Murano glass chandelier [3], hangs above. Ms. Gardner describes the wall mural [4], by decorative artist Bob Christian, as "showing local and indigenous flora and fauna—gigantic lemons, exotic flowers, dogwoods, and azaleas—but in technicolor." It took two artists seven days to paint it. *Price for dining chairs, \$14,000 from Rebecca Gardner, Houses & Parties; chandelier, \$15,660 from Peridot Antiques; wall mural, \$25,000.*

MAIN BEDROOM

"The idea was for the room to have an interesting accumulation of treasures, rather than look overly decorated," said Ms. Gardner. The Venetian plaster walls [1] are in a shade she described as "lagoon blue." The bedside tables [2] are fashioned from onetime Ralph Lauren display columns upholstered in vintage velvet and trim. An antique throw [3] adds a dash of color to the bed. *Price for antique throw, \$1,500 from ABC Carpet & Home.*



DAUGHTER'S BEDROOM

The room's focal point is a portrait [1] by Ruben Toledo. Bought at auction, it hangs on a wall upholstered in quilted cotton between windows clad in curtains [2] made from the same fabric. The sofa [3] was bought by one of the owners for her first New York City apartment; Ms. Gardner had the seat reupholstered and added the bolster. *Price for curtains, \$16,500 from Tailor Made Draperies.*



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If the Creek Don't Rise

A young couple bought a piece of formerly flooded land and built their house to survive a deluge

By J.S. MARCUS

Once-in-a-century flood led to opportunity for Canadian couple Bill and Erin Kent. They got a great deal on a well-placed Calgary lot rendered vacant by floodwaters, then combined flood-proofing measures with luxury finishes to build a new two-story home with a finished basement. The \$1.279 million, four-bedroom home has an elevated first floor that starts above the high-water mark of 2013's historic Calgary deluge, while seamlessly bonded, foam-insulated foundation panels will help keep the structure dry.

With a façade of weathered cedar and limestone detailing, the 4,350-square-foot house is in the upscale neighborhood of Roxboro. The couple, both in their mid-40s, have two daughters, 11 and 13. The family moved into their new home in late 2018.

Ms. Kent, a speech pathologist, is a Roxboro native, but at the time of the June 2013 flood the pair were in Chicago, where Dr. Kent, an Ontario-raised surgeon, was finishing his residency. The Kents moved back to Canada that summer, and, eager to return to Ms. Kent's hometown, they decided in 2016 to buy the empty 1/7th-acre lot. They paid \$722,200—at least \$376,000 less than a similar lot might have cost before the flood, says Ms. Kent.

Municipal and provincial mitigation in the wake of the 2013 floods, which affected much of southern Alberta, has included improving existing reservoirs and building barriers in neighborhoods at higher risk. The couple felt confident enough in those changes to invest in the scenic spot overlooking the Elbow River. Rushing down toward Calgary from the Canadian Rockies, the Elbow had devastated the site's previous structure, a single-story 1970s home that was later torn down. The need to elevate the whole first floor meant that the outdoor decks hover above the yard, which Dr. Kent feels somewhat isolates the house from its setting. But they were able to incorporate river views into the home from an upper-floor terrace.

The couple worked with Alloy Homes, a Calgary-based company that combines architecture, construction, and contracting services. Architect Christopher Lemke, an Alloy managing partner, has experience restoring flood-damaged homes, as well working on new flood-resistant measures. He said the couple had to spend an extra \$38,000 to build here, compared with locations elsewhere in the area not generally threatened by floods.

The big challenge came when deciding exactly where to put the home's new technical facilities, which local building codes now stipulate must be elevated above the flood line.

Mr. Lemke chose to isolate the windowless utilities room in the center of the elevated first floor, while



The living room has access to a backyard deck.



Custom-made lighting from Montreal's Atelier Anaka in the stairwell.



The dining room.



A 2013 flood devastated a home that had been on the parcel of land that is now the location of Bill and Erin Kent's home. They bought the empty lot for \$722,200.



The kitchen features a Carrara marble island.

using oversize windows and sliding glass doors to visually compensate for lost space elsewhere. The couple ended up spending nearly \$128,000 on their glass doors and windows, which have triple glazing to protect against bitter-cold winters.

While pre-2013 Roxboro homes had their first floors overwhelmed, the Kents felt secure enough to fill theirs with decorative splurges. "We wanted to use stuff that was native," says Dr. Kent, alluding to Canadian-designed light fixtures and a gilded leaf print that presides over the living room.

The couple spent around \$98,000 on new furniture and other decorative touches, and \$45,000 on lighting and electrical work.

The family called in Toronto-based Croma Design—owned by Dr. Kent's sister, Amy Kent, and Ryan Martin—to work on the interiors. The studio used a process that Amy Kent likes to call "minimal but natural" to distinguish the L-shaped, open-plan first floor, which is marked by blond-wood floors and white walls.

Aesthetics were a chief concern for the exterior of the house, which is placed on a corner lot. The couple spent \$54,200 on limestone trim, instead of less expensive material, such as masonry. And they opted for an unusual slanting roof that "flares up" toward the corner, says Mr. Lemke, giving the home "a greater visual presence on its most prominent side."

The couple used Carrara marble in the kitchen, which turns the island into a stylish bar area. Elsewhere in the \$82,800 space, Croma Design suggested a mixture of Canadian and

American elements, including a handcrafted brass light fixture from New York's Allied Maker studio.

The couple say they will stay in the house until their children have finished school, and they planned aspects of the project with a resale in mind.

"We could have gone smaller, but you have to have at least 3,000 square feet in this neighborhood," says Dr. Kent.

"Every home here has to have a gym, a spare bedroom, and a media room," he says. "So we added all that stuff."



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\$43,600

Lighting and electric

\$45,100

Interior decoration

\$98,000

Marble

\$17,300

Architect's fee

\$52,700

KLASSEN PHOTOGRAPHY (6); MAP BY JASON LEE

MANSION



Located on Newport’s storied Bellevue Avenue, Champ Soleil is often photographed by passing tourists, the owners said.



Joshua McKinney-Zarrilli, left, and his husband, Kenneth Zarrilli, on the grounds of Champ Soleil. They have several other homes around the country and usually spend time in Newport in the fall and spring.



Mr. McKinney-Zarrilli handled the home’s interior design, mixing antiques with new pieces and even yard-sale finds. Except for a few pieces, the furniture will likely be sold with the house.

Goodbye to The Glamour

Continued from page M1

generation of wealthy purchasers revitalizing Newport’s mansions. The Zarrillis spent just under \$10 million to update and restore the 22-room manse, mixing period antiques with yard-sale finds to give the house a touch of the couple’s irreverent tastes. They also began throwing epic Halloween parties in the home for up to 2,000 people, including a bash with sword-swallowers and a live elephant.

The parties were “a lot of crazy people having a lot of fun,” says Mr. McKinney-Zarrilli, “and also showing people that, you know, it doesn’t have to be so stuffy here in Newport.”

On a warm October day, a black-clad Mr. McKinney-Zarrilli is sipping a Truly hard seltzer by the swimming pool at Champ Soleil. Two glitter-filled, heart-shaped pink floaties drift in the water at his feet. The Kentucky-raised son of a Baptist minister, “I hadn’t even heard of Rhode Island” before the couple bought Champ Soleil, he says. But his husband, who had attended Brown University and the Rhode Island School of Design, was familiar with Newport and its Gilded Age mansions.

The couple met in a Miami Beach bar 23 years ago. At the time Mr. McKinney-Zarrilli worked in a disco, and Mr. Zarrilli was a wealthy New York investor buying up Florida hotels. “He’s a smart bitch,” Mr. McKinney-Zarrilli says affectionately of his husband. They were one of the first gay couples to wed in New York when same-sex marriage became legal there in 2011.

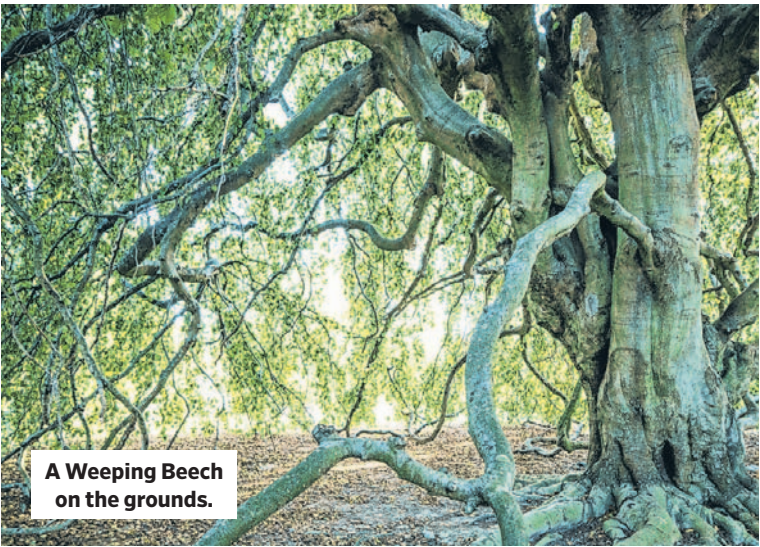
Over the years, the two have purchased and flipped more than 20 houses, living in most of them along the way. But Champ Soleil is different. “This is hard for me to sell,” says Mr. McKinney-Zarrilli. “It’s been a stabilization for us and our friends.”

Champ Soleil was built around 1930 for heiress Lucy Drexel Dahlgren of Philadelphia’s Drexel banking family, according to the book “Newport Villas: The Revival Styles 1885-1935” by Michael C. Kathrens.

In addition to the roughly 13,000-square-foot main house, the 5.5-acre grounds include a greenhouse, guest house, garage and a croquet court bounded by low hedges. Among the property’s towering trees is a massive Weeping Beech; the Zarrillis like to claim that three babies have been conceived under its branches.

Later owners of the house included Russell Aitken and his wife Annie Laurie Aitken, according to the Kathrens book. Mrs. Aitken was the mother of the ill-fated socialite Sunny von Bülow, whose insulin-induced coma led to the

MANSION



The house was originally built around 1930 for heiress Lucy Drexel Dahlgren of Philadelphia's Drexel banking family. The 5.5-acre grounds include a greenhouse, guest house, garage and a croquet court.

sensational attempted murder trial and acquittal of her husband, Claus. When the Zarrillis bought the house they discovered a bathroom window concealed behind a mirrored panel; they guessed it was installed to discourage paparazzi during the von Bülow scandal.

The Aitkens were serious collectors of art and antiques—both have galleries named for them at New York's Metropolitan Museum of Art—and during their tenure, the house contained items such as George II mahogany armchairs and Louis XVI giltwood furniture, according to Christie's. When the Zarrillis first saw the house, by then owned by Mr. Aitken's second wife, Irene, "It was old school," Mr. McKinney-Zarrilli recalls. "I looked at Ken and said, 'Do you think this is possible?' He goes, 'We can do this.'"

They bought the house for \$4.739 million. Mrs. Aitken removed virtually all of the art and furniture, but the Zarrillis purchased a few of the Aitkens' pieces at auction "to make it authentic," says Mr. McKinney-Zarrilli, who handled the home's interior design. But he mixed the antiques with new furniture, a mirror from a yard sale and even a painting he found by the side of the road. "My goal in here was, I want a little bit of old, a little bit of new," he says. "Because I want you to feel comfortable when you're in here. I want you to feel like you're not in an estate, you're in a home."

The library, for example, is paneled in 18th-century carved oak imported from France and has its original marble fireplace mantel. But there's also a set of half-inch tall, mostly nude male plastic figurines on display, each with names like "Cody" and "Brad" printed on their backsides. "These boys go on martini glasses," says Mr. McKinney-Zarrilli. "I put them there because I want everyone to get a little laugh as you walk through."

A grand spiral staircase in the home's entryway is topped with a cheetah-print rug. A powder room is decorated with Cartier gift boxes. In the grand salon, there's an antique papier-mâché chair they bought from the Aitken collection, but also a framed photo of Mr. McKinney-Zarrilli in a white dress and wide-brimmed hat by the ocean on New York's Fire Island, where the couple also has a home. "I am not a drag queen," he says, "but every 4th of July on Fire Island I tend to dress up." He keeps the dress in the cedar closet on the third floor, along with a crown that he says is the one worn by Glinda the Good Witch in "The Wizard of Oz."

The Zarrillis extensively updated the home's plumbing, HVAC and other systems, but maintained details such as chandeliers and a walk-in silver closet. Most of the bathrooms still have their original tiles and hardware, although one on the third floor is new, with a large shower. "This is the ménage-à-trois bathroom," Mr. McKinney-Zarrilli quips.

Central to their vision was sharing the house with family and friends, in part to change the perception of Newport as stodgy and old fashioned. When they bought the house, "Newport was sort of a dying town," says Mr. McKinney-Zarrilli. To help reverse that, "my goal was that every friend that I knew could come here and be part of this experience." Champ Soleil's 11 bedrooms are constantly in use by friends and family members; house guests arrive to find their rooms stocked with bubble bath



The main house spans roughly 13,000 square feet with about 22 rooms. The lounge shown above leads into the dining room; a second door was intended for servants' use.



and M&Ms. "It's a long way downstairs to get snacks if you're hungry," says Mr. McKinney-Zarrilli. In addition to Fire Island and Newport, the Zarrillis have homes

in New York City, Florida and California, and usually spend time at Champ Soleil in the fall and spring. Their infrequent visits spurred rumors that the men pur-

chased the house solely for their Great Danes, Mr. McKinney-Zarrilli says. In fact, the couple have long owned Great Danes who often spent time in the home with

caretakers when the Zarrillis were not in residence. The dogs "spent more time here than I ever did," says Mr. McKinney-Zarrilli. The dogs had their own room in the house. Once the servants' dining room, it has a chandelier, glass-front cabinets full of dog bowls, and a doggie door leading to a dog run.

The Zarrillis are currently dogless after the back-to-back deaths of their two Great Danes about a month ago, and that's one of the reasons they're now selling Champ Soleil.

"It's hard to look at this place without the dogs," says Mr. Zarrilli.

But mostly, they say they want to simplify. "I'm tired," says Mr. McKinney-Zarrilli. "Everyone has come to visit, everyone has spent time here, everyone has done it, and it's time for us to go." They plan to spend the winter in Palm Springs.

All of the furniture, except for a few sentimental pieces, will likely be sold with the house. And Mr. McKinney-Zarrilli is planning to write down the history of the couple's time at Champ Soleil.

"I want people to know," he says, "that fun was had here."

MANSION

IN THE TRENCHES | AMY GAMERMAN

When Two Parties Collide

Agents recall sales agreements that became a tug of war between buyer and seller

Have you ever had to referee a tug of war between buyer and seller?

JONATHAN SCHULZ
Real-estate agent
The Corcoran Group,
New York City

It was the worst closing I've ever been involved in. My clients were a couple with a child who needed more space, so they were moving out of their lofted studio apartment. The buyer was a single woman who was an attorney. Sometimes attorneys get into the nitty-gritty more than other people. The contract had standard language about items to be left behind and one was "mirrors." It's boilerplate stuff, it refers to things like bathroom mirrors that are bolted to the wall. The sellers had mirrors in the bathroom and they also had two very large decorative mirrors leaning against the wall, and a sit-down vanity which had a mirror attached—an inexpensive

thing, like from Ikea. When the apartment was emptied out we did a walk-through with the buyer and she said, "Oh, those mirrors aren't there." And I said, "Those are basically pieces of furniture, they don't stay." Then at the closing, she said to the seller, "I noticed you didn't leave the mirrors." And the husband said, "The two large mirrors you are talking about were wedding presents." And then she pointed at the contract and said, "It says mirrors, and those are mirrors." The attorneys looked at me like, "What should we do?" Long story short, she relented on the two oversize mirrors but she would not relent on the vanity. The seller was just, "Are you kidding me? We've taken it apart and



DELPHINE LEE (2)

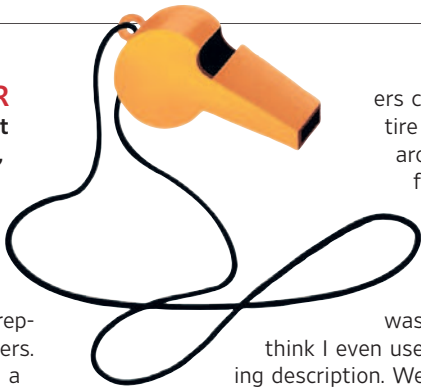
packed it up, it's in a storage container on Long Island." It became a long closing, maybe three hours with a number of breaks. It got very heated. My client was adamant, "I am not going to relent." I was like, "Let's just get to a close."

Finally, the husband agreed to get the vanity out of storage. Then he leans across the table and says, pointing in her face—"I will bring it back to you and you can look at your ugly face in it every day and think of me."

She just stared straight ahead. I think she just wanted the win. Some agents try to be the peace-maker, but I remember being at a loss for words. The seller was actually a really, really nice guy. He did bring the vanity back, in pieces. He left it with the door-

LIMOR NESHER
Real-estate agent
Core Real Estate,
New York City

This was a townhouse in East Harlem, years ago. I was representing the sellers. The top floor had a master bathroom with a Kate Spade sink, deep green with an Asian-inspired design. The own-



ers created the entire bathroom around it—all the faucets, the cabinetry, all the little accents. It was a selling point. I think I even used it in the listing description. We were asking \$1.9 million, the highest listing price in the neighborhood back then.

We sold the home for \$1.74 million. When we were ready to close, we all met at the house. The sellers had made a list of all the things they were going to take—things they couldn't live without. They listed items like light bulbs, track lighting, shelving from the closets. The buyers were a little shocked. As we went from one floor to the other, going through the list, the husband started to roll his eyes, but he didn't say anything; we just marked a "V" by each item agreed

to. Then we get to the master bath and the seller has the Kate Spade sink on the list. The husband says, "That's it. I agreed to everything on the list, but the sink stays." And the seller gets red and says "This sink was in my family for 30 years, it's coming with us." We were crowded in the bathroom—me, the seller and the husband of the couple buying. Their broker is in the doorway and the buyer's wife is in the hall. I say to the seller, "You never told me

this about the sink." I had used it as part of my marketing, and all of a sudden I'm finding out that it's a part of their family heritage. I had to calm everyone down. I asked the seller if he would be willing to replace the sink with something of similar value in the same colors, that would not destroy the bathroom. After a few days he agreed. Ego, especially with men, is such an obstacle.

—Edited from interviews

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PRIVATE PROPERTIES

A Florida Estate Once Owned by John Lennon

An oceanfront Palm Beach estate once owned by the late John Lennon and his wife Yoko Ono has sold for around \$36 million, according to a person with knowledge of the deal.

Named El Solano, the estate listed six months ago for \$47.5 million. Located on South Ocean Boulevard, popularly referred to as Billionaires' Row, the house is next door to a property owned by author James Patterson, records show.

Mr. Lennon and Ms. Ono

bought the estate around 1980, according to the book "Nowhere Man: The Final Days of John Lennon," by Robert Rosen. Mr. Lennon was shot to death a few months later, and the couple's plans to renovate the property never came to fruition. Ms. Ono sold the property in 1986.

The sellers were John and Cindy Sites. Mr. Sites, formerly an executive at Bear Stearns, is a partner at investment firm Wexford Capital. Ms. Sites founded Go Figure, a chain of barre-centered

SOLD
\$36 MILLION
14,000 sq. ft., designed by Addison Mizner, oceanfront dining room, two pools



ANDY FRAME (2); DAVID MCCOUGH/LIFE PICTURE COLLECTION/GETTY IMAGES



fitness studios. They bought the house for \$23 million in 2016, records show.

The buyers were a young family relocating from the Northeast, according to a person familiar

with the deal.

The 1920s-era, Spanish-style property is about 14,000 square feet and has seven bedrooms. Designed by society architect Addison Mizner, it has an oceanfront dining room, a library and a grand salon with a wet bar, The Wall Street Journal reported when the listing came on the market. The estate also includes a tennis court, two swimming pools, a

three-car garage and a beachfront cabana.

Dana and Paulette Koch of the Corcoran Group represented the buyers. Christian Angle of Christian Angle Real Estate represented the sellers.

—Katherine Clarke

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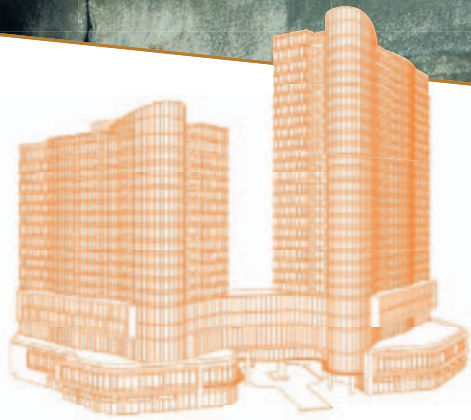
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MANSION | THE WALL STREET JOURNAL.

MANSION

Matthew McConaughey

Continued from page M1
the busiest street in town.

My mother, Kay, wasn't subtle. When she was dating my dad, Jim, she handed him an invite to their wedding and told him he had 24 hours to decide. He hadn't even introduced her yet to his mother.

Mom prepared me to be an actor long before my first audition. She'd say, "You don't walk into a room like you want to buy the place. You walk in like you own it."

She always felt I was special. When I was 7, she entered me in the Little Mr. Texas contest in Bandera. I won a trophy. A picture of me with the award went up on the kitchen wall. A day didn't go by without her saying, "Look at you, winner, Little Mr. Texas."

Years later, I noticed the trophy's nameplate said "runner-up." She said the kid who took first place won because his family was rich and bought him a fancy suit. She viewed that as cheating.

Mom didn't let me watch much TV. She'd say, "I'm not going to let you watch somebody else do something you can do."

My father started out as a pipe salesman. He was a bear of a man. For him, rites of passage were a big deal. If you thought you were man enough to take him on, you had to prove it. That could leave you with lessons you didn't forget. He wasn't cruel, just determined to turn his three boys into men.

Dad coached the Little League teams of my two older brothers, Michael and Pat. When he became more successful in the oil business, he was on the road more and wasn't around as much.

My parents had an interesting relationship. They divorced twice and married three times. They loved each other, but they both ran hot and neither backed down.

Dad broke Mom's middle finger four times trying to get it out of his face. She broke his nose with a wall phone.



Matthew McConaughey, above, in the movie 'Dallas Buyers Club.' Below right, age 8, after winning the Little Mr. Texas runner-up trophy in Bandera, Texas, in 1977. Below left, with his wife Camila Alves.



While Mom taught us audacious existentialism, Dad taught us common sense. If I said, "I can't start the lawnmower," he'd show me why I really meant, "I'm having trouble starting it."

"Can't" drew dirty looks at home.

We moved to Longview when I was 9 and lived in a great neighborhood called Country Place. Dad soon owned his own pipe business and had 26 employees under him. Before long, Mom was driving a white Cadillac Fleetwood.

In high school, I was popular and worked hard on my studies. But I didn't want to play football the way my dad did. One night, Dad came into my room, and I told him I wanted to play golf. I braced for his disappointment.

Dad asked how I knew he was coming to my room. I told him I could hear the popping of his knees. He said, "Play golf son. You can play it until you go down."

At the University of Texas at Austin, I thought I wanted to be a lawyer. But one day, at the house of two guys in my fraternity, I found a paperback—"The Greatest Salesman in the World."

The 1968 book gave me the



courage to do what I really wanted—to attend film school at UT. I told my father. Surprisingly, he was fine with the switch and said, "Don't half-ass it."

I didn't know I wanted to be in front of a camera until a series of events landed me in the 1993 film "Dazed and Confused." I learned acting in reverse. I was famous

MATTHEW'S WAYS

Favorite TV show when allowed to watch? "The Incredible Hulk" ▼



Difference between Uvalde, Texas, and Longview? The former taught me to deal, the latter taught me to dream big.

Mom's cure for waking up grumpy? "Return to bed and come back when you can see the rose in the vase instead of the dust on the table."

Mom's saying about fear? "If you're scared about not having shoes, let me introduce you to the person with no feet."

Cherished gift from dad? A ring with an M. It was a meltdown of his and my mom's class rings.

early and then had to figure out how to do it.

I studied acting with Penny Allen, who taught me how to break down a character. The irony is that my first major role was playing a lawyer in "A Time to Kill," the 1996 film that started my career.

Today, my wife, Camila, and I live with our three children in Austin. Our Spanish-Mediterranean house on 9 acres has a large open floor plan.

My dad died in 1993. Mom is 88 now and has been living with us during the pandemic. She's still an outlaw.

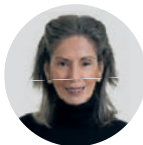
I recently asked if she regretted anything. She said every night she makes a mental self-improvement list but by the morning, she's forgotten it.

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